

Greenville Area Community Foundation

Financial Statements

December 31, 2021 and 2020



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Independent Auditors' Report

Management and the Board of Trustees
Greenville Area Community Foundation
Greenville, Michigan

Opinion

We have audited the accompanying financial statements of Greenville Area Community Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenville Area Community Foundation as of December 31, 2021, and 2020, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greenville Area Community Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenville Area Community Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greenville Area Community Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenville Area Community Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 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, Michigan
April 20, 2022

Greenville Area Community Foundation
Statement of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 137,578	\$ 318,975
Promises to give, current portion	50,000	50,000
Total current assets	187,578	368,975
Noncurrent assets		
Investments	49,126,343	43,333,746
Promises to give, net of current portion	-	50,000
Life insurance - cash surrender value	152,352	130,636
Property and equipment, net of accumulated depreciation	720,638	158,983
Total noncurrent assets	49,999,333	43,673,365
Total assets	\$ 50,186,911	\$ 44,042,340
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 224,973	\$ -
Payroll tax withholdings	1,914	1,919
Grants payable	1,334,510	1,327,078
Total current liabilities	1,561,397	1,328,997
Assets held for others (agency)	908,591	766,313
Total liabilities	2,469,988	2,095,310
Net assets		
Without donor restrictions	47,514,571	41,716,394
With donor restrictions	202,352	230,636
Total net assets	47,716,923	41,947,030
Total liabilities and net assets	\$ 50,186,911	\$ 44,042,340

See Accompanying Notes to the Financial Statements

Greenville Area Community Foundation
Statement of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Contributions	\$ 837,458	\$ 21,716	\$ 859,174	\$ 397,647	\$ 6,455	\$ 404,102
Administrative fees	7,375	-	7,375	5,465	-	5,465
Special event	6,000	-	6,000	4,000	-	4,000
Less: costs of direct benefit to donors	-	-	-	(8)	-	(8)
Other income	6,250	-	6,250	-	-	-
Funds transferred from (to) agency to endowment	-	-	-	(1,304)	-	(1,304)
Net investment return	6,183,846	-	6,183,846	6,068,375	-	6,068,375
 Total revenues, gains and other support	 7,040,929	 21,716	 7,062,645	 6,474,175	 6,455	 6,480,630
 Net assets released from restrictions						
Restrictions satisfied by payments and time	50,000	(50,000)	-	50,000	(50,000)	-
 Expenses						
Program services						
Grants	975,986	-	975,986	1,535,771	-	1,535,771
Other program services	37,322	-	37,322	-	-	-
Management and general	225,785	-	225,785	246,346	-	246,346
Fundraising	53,659	-	53,659	62,295	-	62,295
 Total expenses	 1,292,752	 -	 1,292,752	 1,844,412	 -	 1,844,412
 Change in net assets	 5,798,177	 (28,284)	 5,769,893	 4,679,763	 (43,545)	 4,636,218
 Net assets - beginning of the year	 41,716,394	 230,636	 41,947,030	 37,036,631	 274,181	 37,310,812
 Net assets - end of the year	 \$ 47,514,571	 \$ 202,352	 \$ 47,716,923	 \$ 41,716,394	 \$ 230,636	 \$ 41,947,030

See Accompanying Notes to the Financial Statements

Greenville Area Community Foundation
Statement of Functional Expenses
Years Ended December 31, 2021 and 2020

	2021				2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Grants	\$ 975,986	\$ -	\$ -	\$ 975,986	\$ 1,535,771	\$ -	\$ -	\$ 1,535,771
Payroll								
Salaries and wages	34,670	141,955	47,319	223,944	-	166,593	55,531	222,124
Employee benefits	-	4,825	1,609	6,434	-	4,886	1,629	6,515
Payroll taxes	2,652	10,786	3,595	17,033	-	12,688	4,230	16,918
Total payroll	37,322	157,566	52,523	247,411	-	184,167	61,390	245,557
Office-related expenses								
Postage and shipping	-	1,240	-	1,240	-	2,240	-	2,240
Supplies and office expense	-	3,468	-	3,468	-	2,374	-	2,374
Telephone	-	483	-	483	-	576	-	576
Total office-related expenses	-	5,191	-	5,191	-	5,190	-	5,190
Other expenses								
Depreciation	-	11,084	-	11,084	-	9,155	-	9,155
Donor relations	-	-	1,136	1,136	-	-	905	905
Dues and subscriptions	-	3,624	-	3,624	-	7,694	-	7,694
Insurance	-	3,350	-	3,350	-	3,177	-	3,177
Meetings	-	2,156	-	2,156	-	365	-	365
Miscellaneous	-	4,866	-	4,866	-	926	-	926
Printing and publicity	-	7,159	-	7,159	-	4,845	-	4,845
Professional service fees	-	23,505	-	23,505	-	21,927	-	21,927
Repairs and maintenance	-	-	-	-	-	1,017	-	1,017
Travel expenses	-	552	-	552	-	372	-	372
Utilities	-	6,732	-	6,732	-	7,511	-	7,511
Total other expenses	-	63,028	1,136	64,164	-	56,989	905	57,894
Total expenses	\$ 1,013,308	\$ 225,785	\$ 53,659	\$ 1,292,752	\$ 1,535,771	\$ 246,346	\$ 62,295	\$ 1,844,412

See Accompanying Notes to the Financial Statements

Greenville Area Community Foundation
Statement of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Cash received from contributors	\$ 970,273	\$ 468,522
Miscellaneous income received	6,250	-
Interest and dividends received	983,658	817,249
Grants paid	(1,004,538)	(1,938,291)
Payments for payroll	(247,416)	(245,500)
Payments for investment fees	(48,069)	(39,330)
Payments to vendors	(58,271)	(53,937)
	601,887	(991,287)
 Cash flows from investing activities		
Purchase of property and equipment	(97,766)	-
Proceeds from sale of investments	2,781,477	3,444,662
Purchases of investments	(3,466,995)	(2,498,911)
	(783,284)	945,751
 Net cash flows provided (used) by investing activities		
	(783,284)	945,751
 Change in cash and cash equivalents		
	(181,397)	(45,536)
 Cash and cash equivalents - beginning of the year		
	318,975	364,511
 Cash and cash equivalents - end of the year	\$ 137,578	\$ 318,975
 Supplemental schedule of non-cash investing activities		
Property and equipment acquired prior to cash payment	\$ 224,973	\$ -

See Accompanying Notes to the Financial Statements

Greenville Area Community Foundation
Notes to the Financial Statements
December 31, 2021 and 2020

Note 1 - Nature of Activities and Significant Accounting Policies

The Greenville Area Community Foundation (“the Foundation”) is a collection of local funds given by individuals, corporations, and foundations to enhance and support the quality of life for all the people in the Greenville area.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporarily in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation does not have any net assets whereby the donor imposed restriction is perpetual in nature as of December 31, 2021 and 2020.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are

reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified in the statement of activities as net assets released from restrictions.

Fund 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 for internal purposes only. The financial activities of the Foundation are recorded in separate internal 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.

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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.

Cash and Cash Equivalents

For purposes of the statements 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

As of December 31, 2021, the entire \$214,912 cash bank balance was insured by the Federal Deposit Insurance Corporation (FDIC).

Promises to Give

Promises to give have been recorded as current or noncurrent assets, depending upon their maturity, and include all amounts pledged to the Foundation. Based upon the nature and reputation of donors, as well as past collection history, pledges are all considered collectible. No amounts were written off for the years ending December 31, 2021 and 2020.

Investments

Investments are stated at fair value. Donated investments are reflected as contributions at their fair values at date of receipt. Investment income is reported net of direct investment expenses.

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 was recorded as a contribution, and subsequent increases in value are recorded as a contribution.

Property and Equipment

Acquired assets are stated at cost and donated assets at fair market value at the time of donation. The Foundation has a \$1,000 capitalization policy. The straight-line method of depreciation is used. Following are the useful lives used to depreciate each category:

Land improvements	3 - 5 years
Building and improvements	10 - 40 years
Furniture and equipment	5 - 15 years

Major improvements are capitalized while ordinary maintenance and repairs are expensed.

Grants Payable

Grants 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

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 agency endowment 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.

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Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated and the method of allocation include the following:

Expense	Method and Allocation
Salaries and wages	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort

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. The Foundation files information returns in the U.S. Federal jurisdiction.

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 the amounts reported in the statement of financial position.

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.

Date of Management's Review

Management has evaluated subsequent events through April 20, 2022 which is the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 137,578	\$ 318,975
Promises to give	50,000	100,000
Investments	<u>49,126,343</u>	<u>43,333,746</u>
Total financial assets - end of year	49,313,921	43,752,721
Less: financial assets unavailable for general expenditures within one year, due to:		
Receivables due in more than 1 year	-	(50,000)
Board designated endowment, net spendable portion	(44,646,614)	(39,760,341)
Assets held for others (agency)	<u>(908,591)</u>	<u>(766,313)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,758,716</u>	<u>\$ 3,176,067</u>

The Foundation's board designated endowment is subject to an annual spending rate of 6% of the average of 12 rolling quarters up to the December 31st balance of the prior year. Although the Foundation does not intend to spend from the board designated endowment, these amounts could be made available, if necessary, to cover any unexpected expenses above the normal amount appropriated for general expenditures as part of the annual operating budget and grant making budget.

The Foundation has a policy in place on maintaining administrative fund balance, and the grant making policies and procedures allow adequate time to liquidate assets should the need arise. The Foundation's investment policy statement states 80% allocation to equity, therefore, a minimum of 80% of the investment assets have

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same day liquidity, if needed. If necessary, the board would have to approve any need above and beyond normal expenditures already approved in the annual budgets, for both operating and grant making.

Note 3 - Investments

Fair value of investments is summarized as follows at December 31:

	<u>2021</u>	<u>2020</u>
Mutual funds - fixed income	\$ 8,549,193	\$ 6,424,496
Mutual funds - domestic stock	25,360,668	22,131,384
Mutual funds - international stock	14,892,156	14,417,587
Money market funds	324,326	360,279
	<u>\$ 49,126,343</u>	<u>\$ 43,333,746</u>

Note 4 - Promises to Give

The entire amount of pledges receivable presented in the statement of financial position for 2021 is considered current. The Foundation expects to collect \$50,000 of promises to give in the year ending December 31, 2022.

Note 5 - Property and Equipment

Property and equipment is comprised of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 92,500	\$ 60,000
Land improvements	4,932	4,932
Building and improvements	345,835	128,335
Furniture and equipment	34,967	22,759
Construction in progress	310,531	-
Less: accumulated depreciation	(68,127)	(57,043)
	<u>\$ 720,638</u>	<u>\$ 158,983</u>

The Foundation entered into a contract for building renovations. As of December 31, 2021, the Foundation has spent \$194,098 of the \$249,514 total contract cost, leaving \$55,416 remaining to be completed.

During the fiscal year ended December 31, 2021, the Foundation received a donation of building and land, which was recorded at a value of \$250,000.

Note 6 - Assets Held for Other (Agency)

The Foundation has adopted guidance to record transfers of assets to a not-for-profit organization that holds contributions for others. Accounting standards have specific requirements for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both to the donor or another entity that is specified by the donor.

The standard specifically requires that if a not-for-profit organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability.

In accordance with accounting standards, a liability has been established for a portion of the fair value of the funds, which is generally equivalent to the present value of future payments which may be made to NPOs.

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The following table summarizes activity in such funds as of December 31:

	<u>2021</u>	<u>2020</u>
Funds held as agency - beginning of year	\$ 766,313	\$ 725,733
Contributions	76,815	11,875
Net investment return	108,822	101,932
Grants and administrative expenses	(43,359)	(74,531)
Transfer from (to) nonagency fund	-	1,304
Funds held as agency - end of year	<u>\$ 908,591</u>	<u>\$ 766,313</u>

Note 7 - Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following fund types at December 31:

	<u>2021</u>	<u>2020</u>
Discretionary	\$ 16,330,547	\$ 14,493,842
Field of interest	12,314,937	11,090,873
Donor advised	2,658,325	2,302,822
Designated	6,360,845	5,325,037
Scholarship	8,910,797	7,960,207
Administrative	939,120	543,613
	<u>\$ 47,514,571</u>	<u>\$ 41,716,394</u>

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes and periods at December 31:

	<u>2021</u>	<u>2020</u>
Subject to the passage of time		
Pledges receivable	\$ 50,000	\$ 100,000
Life insurance - cash surrender value	152,352	130,636
	<u>\$ 202,352</u>	<u>\$ 230,636</u>

Note 9 - Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Passage of time		
Promises to give	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Note 10 - Designated Endowments

The Foundation's net assets without donor restrictions include amounts designated as endowments whereby the Foundation has variance power over those assets. Therefore, the Board treats these funds as designated endowments and they are classified and reported based on the existence or absence of donor imposed restrictions.

Changes in endowment net assets are as follows for the year ended December 31:

	<u>Without Donor Restrictions</u>	
	<u>2021</u>	<u>2020</u>
Beginning of year	\$ 41,716,394	\$ 37,036,631
Contributions	1,351,712	816,065
Distributions	(1,737,381)	(2,204,677)
Net investment return	6,183,846	6,068,375
End of year	<u>\$ 47,514,571</u>	<u>\$ 41,716,394</u>

Interpretation of Relevant Law

The board of trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2021

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and 2020, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) The duration and preservation of the fund; (2) The purposes of the organization and the donor restricted endowment fund; (3) General economic conditions; (4) The possible effect of inflation and deflation; (5) The expected total return from income and the appreciation of investments; (6) Other resources of the organization; and (7) The investment policies of the organization.

Risk Objectives and Risk Parameters

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.

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 annual amount available for distribution from any endowed fund is 6% of the average of 12 rolling quarters up to the December 31st balance of the prior year. This spendable amount will be available after January 1st of the current year. Each fund's annual spendable balance is net of the Foundation's administrative service fee. Any spendable balance left as of December 31st of the current year will be moved back into the accumulated earnings account of the fund unless otherwise communicated to the Foundation. New funds will not have a spendable amount until 4 full quarters with the Foundation unless otherwise determined at inception of fund.

Note 11 - 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, 2021 and 2020, 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

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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.

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	Level 1	Level 3
2021			
Assets			
Mutual funds - fixed income	\$ 8,549,193	\$ 8,549,193	\$ -
Mutual funds - domestic stock	25,360,668	25,360,668	-
Mutual funds - international stock	14,892,156	14,892,156	-
Money market funds	324,326	324,326	-
	<u>\$ 49,126,343</u>	<u>\$ 49,126,343</u>	<u>\$ -</u>
Liabilities			
Assets held for others	\$ 908,591	\$ -	\$ 908,591
2020			
Assets			
Mutual funds - fixed income	\$ 6,424,496	\$ 6,424,496	\$ -
Mutual funds - domestic stock	22,131,384	22,131,384	-
Mutual funds - international stock	14,417,587	14,417,587	-
Money market funds	360,279	360,279	-
	<u>\$ 43,333,746</u>	<u>\$ 43,333,746</u>	<u>\$ -</u>
Liabilities			
Assets held for others	\$ 766,313	\$ -	\$ 766,313

Changes in level 3 liabilities at fair value on a recurring basis:

	Assets Held for Others
December 31, 2019	\$ 725,733
Agency activity (see Note 7)	<u>40,580</u>
December 31, 2020	766,313
Agency activity (see Note 7)	<u>142,278</u>
December 31, 2021	<u>\$ 908,591</u>

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 indicated the fair value would be different.

Note 12 - Retirement Benefit Plan

The Foundation has a Simple IRA Pension Plan for employees. 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 the years ended December 31, 2021 and 2020 were \$6,434 and \$6,515, respectively.

Note 13 – Related Party Transactions

The Foundation has a volunteer board and received contributions of \$58,867 and \$111,750 from trustees for the years ended December 31, 2021 and 2020, respectively.

Greenville Area Community Foundation
Operating Fund
Schedule of Changes in Net Assets Without Donor Restrictions
Years Ended December 31, 2021 and 2020

	2021	2020
Revenues		
Contributions	\$ 250,000	\$ -
Administrative fees	452,004	365,722
Special event	6,000	4,000
Less: costs of direct benefit to donors	-	(8)
Other income	6,250	-
Net investment return	119	1,587
Total revenues	714,373	371,301
Expenses		
Grants	2,100	3,000
Salaries and wages	223,944	222,124
Employee benefits	6,434	6,515
Payroll taxes	17,033	16,918
Postage and shipping	1,240	2,240
Supplies and office expense	3,468	2,374
Telephone	483	576
Depreciation	11,084	9,155
Donor relations	1,136	905
Dues and subscriptions	3,624	7,694
Insurance	3,350	3,177
Meetings	2,156	365
Miscellaneous	4,866	926
Printing and publicity	7,159	4,845
Professional service fees	23,505	21,927
Repairs and maintenance	-	1,017
Travel expenses	552	372
Utilities	6,732	7,511
Total expenses	318,866	311,641
Change in net assets without donor restrictions - operating fund	395,507	59,660
Net assets without donor restrictions - beginning of the year - operating fund	543,613	483,953
Net assets without donor restrictions - end of the year - operating fund	\$ 939,120	\$ 543,613

Greenville Area Community Foundation
Pass Through and Endowment Funds
Schedule of Changes in Net Assets
Year Ended December 31, 2021

	January 1, 2021	Reclassifications & Transfers In (Out)	Contributions and Other Income	Net Investment Income	Expenses			December 31, 2021
					Program Grants	Administrative Fees	Other Expenses	
Pass Through Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endowment Fund								
Discretionary Funds	\$ 14,493,842	\$ -	\$ 71,382	\$ 2,169,379	\$ 250,389	\$ 153,667	\$ -	\$ 16,330,547
Agency Endowment Funds	766,313	-	76,815	108,822	35,984	7,375	-	908,591
Field of Interest Funds	11,090,873	-	11,235	1,641,048	308,010	120,209	-	12,314,937
Donor Advised Funds	2,302,822	-	61,425	347,018	27,690	25,250	-	2,658,325
Designated Funds	5,555,673	(3,966)	330,624	807,613	70,147	56,600	-	6,563,197
Scholarship Funds	7,960,207	3,966	134,508	1,218,669	317,650	88,903	-	8,910,797
	42,169,730	-	685,989	6,292,549	1,009,870	452,004	-	47,686,394
Less donor designations for specific organizations	766,313	-	76,815	108,822	35,984	7,375	-	908,591
	<u>\$ 41,403,417</u>	<u>\$ -</u>	<u>\$ 609,174</u>	<u>\$ 6,183,727</u>	<u>\$ 973,886</u>	<u>\$ 444,629</u>	<u>\$ -</u>	<u>\$ 46,777,803</u>