PUTNAM COUNTY COMMUNITY FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

CPAs / ADVISORS

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PUTNAM COUNTY COMMUNITY FOUNDATION, INC.

TABLE OF CONTENTS
DECEMBER 31, 2021 AND 2020

Page

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Blue & Co., LLC / 813 West Second Street / Seymour, IN 47274
main 812.522.8416 website blueandco.com

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of the
Putnam County Community Foundation, Inc.
Greencastle, Indiana

Opinion

We have audited the accompanying financial statements of Putnam County Community Foundation, Inc. (the "Foundation"), a nonprofit organization, which comprise the statements 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 the 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 the 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 the 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.

Blue & Co., LLC

Seymour, Indiana

March 30, 2022

PUTNAM COUNTY COMMUNITY FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
Cash and cash equivalents	$ 860,767	$ 842,159
Investments	41,963,003	36,096,468
Other receivables	75	40
Prepaid expenses	15,554	4,772
Property and equipment, net	411,356	422,213
Other assets	173,254	173,254
Beneficial interest in charitable remainder trusts	120,033	118,343
	$ 43,544,042	$ 37,657,249

LIABILITIES AND NET ASSETS

	2021	2020
Liabilities		
Accounts payable	$ 7,550	$ 6,940
Grants payable	250,000	-0-
Accrued wages	30,911	22,195
Gift annuities payable	30,464	30,225
Custodial funds	5,416,200	4,677,673
Term debt	94,025	103,372
Total liabilities	5,829,150	4,840,405
Net assets		
Without donor restrictions		
Operating	992,937	799,299
Board designated endowment	127,064	111,867
	1,120,001	911,166
With donor restrictions		
Restricted for specified purposes	327,929	393,491
Restricted due to time restrictions	120,033	118,343
Endowment funds	36,146,929	31,393,844
	36,594,891	31,905,678
Total net assets	37,714,892	32,816,844
	$ 43,544,042	$ 37,657,249

See accompanying notes to financial statements.

PUTNAM COUNTY COMMUNITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Contributions and grants	$ 18,284	$ 885,204	$ 903,488	$ 907,336
Investment return, net	24,053	5,907,751	5,931,804	2,201,571
Change in value of split interest agreements	-0-	(174)	(174)	13,812
Other revenues	634	1,025	1,659	19,466
Net assets released from restrictions	1,465,083	(1,465,083)	-0-	-0-
Total support and revenues	1,508,054	5,328,723	6,836,777	3,142,185
Expenses				
Grantmaking	1,622,164	-0-	1,622,164	1,140,482
Supporting services				
Administrative expenses	262,638	-0-	262,638	254,764
Fundraising expenses	110,197	-0-	110,197	96,165
Total expenses	1,994,999	-0-	1,994,999	1,491,411
Transfer of administrative fees	695,780	(639,510)	56,270	40,710
Change in net assets	208,835	4,689,213	4,898,048	1,691,484
Net assets, beginning of year	911,166	31,905,678	32,816,844	31,125,360
Net assets, end of year	$ 1,120,001	$ 36,594,891	$ 37,714,892	$ 32,816,844

See accompanying notes to financial statements.

PUTNAM COUNTY COMMUNITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions and grants	$ 55,158	$ 852,178	$ 907,336
Investment return, net	14,773	2,186,798	2,201,571
Change in value of split interest agreements	-0-	13,812	13,812
Other revenues	8,896	10,570	19,466
Net assets released from restrictions	998,505	(998,505)	-0-
Total support and revenues	1,077,332	2,064,853	3,142,185
Expenses			
Grantmaking	1,140,482	-0-	1,140,482
Supporting services			
Administrative expenses	254,764	-0-	254,764
Fundraising expenses	96,165	-0-	96,165
Total expenses	1,491,411	-0-	1,491,411
Transfer of administrative fees	492,096	(451,386)	40,710
Change in net assets	78,017	1,613,467	1,691,484
Net assets, beginning of year	833,149	30,292,211	31,125,360
Net assets, end of year	$ 911,166	$ 31,905,678	$ 32,816,844

See accompanying notes to financial statements.

PUTNAM COUNTY COMMUNITY FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
		Supporting Services				Supporting Services		
	Grantmaking	Administrative	Fundraising	Total	Grantmaking	Administrative	Fundraising	Total
Grants and scholarships	$ 1,345,616	$ -0-	$ -0-	$ 1,345,616	$ 909,080	$ -0-	$ -0-	$ 909,080
Other program expenses	83,587	-0-	-0-	83,587	78,426	-0-	-0-	78,426
Salaries and wages	156,784	102,522	66,764	326,070	105,863	103,971	60,872	270,706
Payroll taxes and benefits	21,653	15,777	10,576	48,006	17,153	16,040	9,863	43,056
Office supplies	-0-	3,366	-0-	3,366	-0-	3,146	-0-	3,146
Technology fees and support	2,349	23,508	17,075	42,932	2,209	27,012	10,457	39,678
Printing and copying	79	7,841	4,470	12,390	98	7,569	3,387	11,054
Postage and shipping	617	660	1,224	2,501	406	393	1,209	2,008
Dues and subscriptions	-0-	2,923	661	3,584	-0-	2,649	944	3,593
Credit card fees	-0-	1,465	-0-	1,465	-0-	1,431	-0-	1,431
Consulting fees	-0-	3,210	2,556	5,766	23,100	-0-	2,661	25,761
Insurance	-0-	7,051	-0-	7,051	-0-	6,170	-0-	6,170
Interest	-0-	4,942	-0-	4,942	-0-	5,410	-0-	5,410
Depreciation	-0-	30,089	-0-	30,089	-0-	28,072	-0-	28,072
Professional fees	-0-	33,375	-0-	33,375	-0-	31,237	-0-	31,237
Janitorial	-0-	8,198	-0-	8,198	-0-	7,257	-0-	7,257
Utilities	-0-	5,955	-0-	5,955	-0-	4,769	-0-	4,769
Professional development	-0-	5,664	1,369	7,033	-0-	3,460	13	3,473
Event expense	5,577	524	1,203	7,304	2,027	84	4,373	6,484
Travel and entertainment	-0-	290	210	500	62	319	373	754
Miscellaneous	5,902	5,278	4,089	15,269	2,058	5,775	2,013	9,846
	$ 1,622,164	$ 262,638	$ 110,197	$ 1,994,999	$ 1,140,482	$ 254,764	$ 96,165	$ 1,491,411

See accompanying notes to financial statements.

PUTNAM COUNTY COMMUNITY FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Operating activities		
Change in net assets	$ 4,898,048	$ 1,691,484
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	30,089	28,072
Reinvested interest and dividends received on investments	(1,393,816)	(671,691)
Realized and unrealized gains on investments	(5,534,121)	(1,981,814)
Change in value of split-interest agreements	174	(13,812)
Contributions restricted to endowment funds	(605,502)	(387,880)
Changes in assets and liabilities:		
Pledges receivable	-0-	10,700
Other receivables	(35)	1,544
Prepaid expenses	(10,782)	11,367
Accounts payable	610	4,387
Grants payable	250,000	-0-
Accrued wages	8,716	21
Deferred revenue	-0-	(3,772)
Custodial funds	738,527	45,887
Net cash flows from operating activities	(1,618,092)	(1,265,507)
Investing activities		
Purchases of property and equipment	(19,232)	(15,030)
Purchase of investments	(2,669,297)	(2,385,190)
Proceeds from sales of investments	3,730,699	3,696,900
Net cash flows from investing activities	1,042,170	1,296,680
Financing activities		
Gift annuity payments	(1,625)	(3,150)
Payments on term debt	(9,347)	(8,880)
Contributions restricted to endowment funds	605,502	387,880
Net cash flows from financing activities	594,530	375,850
Net change in cash	18,608	407,023
Cash and cash equivalents, beginning of year	842,159	435,136
Cash and cash equivalents, end of year	$ 860,767	$ 842,159
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	$ 4,942	$ 5,410

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Putnam County Community Foundation, Inc. (the "Foundation") was incorporated as a not-for-profit entity in 1985. The mission of the Foundation is to partner with those who give to enrich life and strengthen community for this and future generations.

Management's Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Foundation are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board of directors (Board) or designated by the Board for specific use. The Foundation maintains net assets without donor restrictions as follows:

Operating – used to fund current operations of the Foundation

Board designated endowment – established with the expectation that the principal be maintained in perpetuity to generate grants, subject to the spending policy, used to support the general operations of the Foundation and community needs as designated by the Board of Directors

Net assets with donor restrictions: Net assets subject to donor stipulations for specific purposed or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term to support operations or specific purposes. The Foundation maintains net assets with donor restrictions as follows:

Restricted for specific purposes – all contributions to the Foundation with the intention of the donor to be held for a specific program or in a donor restricted non-endowed fund.

Restricted due to time restrictions – all contributions to the Foundation with donor restrictions that will be met by the passage of time.

Endowment funds – all contributions to the Foundation with the intention of the donor that the assets be held in perpetuity and related investment earnings managed in accordance with the Foundation's spending policy.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash in checking and savings and exclude amounts held by the Foundation's fund managers and included in investments.

Investments and Investment Return

The Foundation carries its investments at fair value for financial reporting purposes. Changes in unrealized appreciation or depreciation of investments are reflected in the Statements of Activities in the period in which such changes occur.

Interest and dividend income and net unrealized and realized gains and losses on investments are recognized as net assets with or without donor restrictions based upon the existence or absence of donor-imposed restrictions or the related fund classification in accordance with the Foundation's spending policy.

Property and Equipment

Property and equipment, including expenditures that substantially increase the useful lives of existing assets, are recorded at cost except for donations, which are recorded at fair value at the date of the donation. Costs of ordinary maintenance and repairs are expensed as incurred.

The property and equipment of the Foundation are being depreciated over their estimated useful lives ranging from three to forty years using the straight-line method.

Support, Revenues and Expense Recognition

Contributions, which include unconditional promises to give (pledges receivable), are recognized as revenues in the period the contribution is received or the promise is made. Contributions received with donor imposed restrictions are reported as restricted support and increases net assets with donor restrictions.

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in either net assets with or without donor restrictions in accordance with the classification of the fund.

All other support and revenue is recorded when earned.

Administrative Fees

Administrative fees are expensed from the funds to support the operations of the Foundation. Administrative fees from all funds are reflected as transfer of administrative fees on the Statements of Activities. The administrative fees from custodial funds are not included in the reduction of net assets with donor restrictions because they are included in the change in custodial funds.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses include salaries and wages, payroll taxes and benefits, computer expenses, and communication expense. These expenses are allocated on the basis of estimates of time and effort. While the methods of allocation are considered appropriate, other methods could produce different results.

Income Taxes

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on related income pursuant to Section 501(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of December 31, 2021 and 2020 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, the Foundation is generally exempt from income taxes. However, the Foundation is required to file Federal Form 990 – Return of Organization Exempt from Income Tax, which is an informational return only.

Paycheck Protection Program

In May 2020, the Foundation received a low interest loan in the amount of $43,900 under the Paycheck Protection Program (PPP) administered by the Small Business Administration. The PPP loan was unsecured, beared interest at 1% and funds advanced under the program were subject to forgiveness, if certain criteria was met, with the remaining balance repayable within two years of disbursement. The PPP loan was forgivable to the extent that employers incurred and spent the funds on qualified expenditures, which included payroll, employee health insurance, rent, utilities and interest costs during the covered period as defined by the PPP guidance. In addition, employers had to maintain specified employment and wage levels during the pandemic and submit adequate documentation of such expenditures to qualify for loan forgiveness.

The Foundation elected to treat this loan as a conditional contribution and recognized contributions in the amount of $43,417 when partial forgiveness of the loan was received on December 15, 2020. This revenue is recognized within contributions and grants on the 2020 statement of activities. The remaining balance of $483 was repaid prior to December 31, 2020.

Subsequent Events

The Foundation has evaluated events or transactions occurring subsequent to the Statement of Financial Position date for recognition and disclosure in the accompanying financial statements through the date the financial statements were available to be issued, which was March 30, 2022.

2. INVESTMENTS

Investments at December 31, 2021 and 2020 consist of the following:

	2021	2020
Cash	$ 90,511	$ 179,009
Money market funds	327,935	283,330
Certificates of deposit	56,703	58,595
Corporate bonds	1,651,694	1,754,985
Government bonds	1,263,097	1,591,876
Equity exchange traded funds		
Large	3,152,564	2,445,188
Small/mid	2,931,781	1,198,344
Fixed income exchange traded funds		
Ultrashort	50,171	50,408
Equity mutual funds		
Large	12,852,725	11,345,238
Small/mid	10,108,452	9,621,394
Natural resources	1,671,480	1,321,038
Real estate	2,656,528	1,999,530
Equity energy	1,578,090	1,317,787
Fixed income mutual funds		
Inflation-protected	1,126,621	493,191
Intermediate-term bond	197,703	-0-
High yield bond	123,754	-0-
World bond	1,700,500	1,685,680
Hedge funds	342,625	591,068
Private equity	80,069	159,807
	$ 41,963,003	$ 36,096,468

3. RISKS AND UNCERTAINTIES

The Foundation holds a variety of investments (Note 2). Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

- *Money market funds:* Generally transact subscription and redemption activity at a $1 stable net asset value (NAV) however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.

- *Certificates of deposit, corporate bonds and government bonds*: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

- *Exchange traded funds and mutual funds*: Valued at the daily closing price as reported by the fund. Mutual and exchange traded funds ("funds") are held by the Foundation and are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Foundation are deemed to be actively traded.

- *Beneficial interest in charitable remainder trusts*: Fair value is determined by subtracting the calculated present value of the future payments to beneficiaries using published life expectancy tables, discount rates ranging from 0.6% to 2% and payout rates ranging from 6% to 8% from the fair value of the trust assets.

- *Alternative investments*: Valued at the net asset value (NAV) of the units of the funds, as provided by the investment managers. The NAV is based on the fair value of the underlying investments held by the funds less their liabilities.

- *Gift annuities payable*: Fair value is determined by calculating the present value of future payments to beneficiaries using published life expectancy tables with discount rates ranging from 3.2% to 9.4%.

The following table sets forth financial assets and liabilities measured at fair value in the Statement of Financial Position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2021 and 2020:

	2021			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investments				
Money market funds	$ 327,935	$ -0-	$ 327,935	$ -0-
Certificates of deposit	56,703	-0-	56,703	-0-
Corporate bonds	1,651,694	-0-	1,651,694	-0-
Government bonds	1,263,097	-0-	1,263,097	
Exchange traded funds	6,134,516	6,134,516	-0-	-0-
Mutual funds	32,015,853	32,015,853	-0-	-0-
Beneficial interest in charitable remainder trusts	120,033	-0-	-0-	120,033
Total assets in fair value hierarchy	41,569,831	38,150,369	3,299,429	120,033
Alternative investments*	422,694			
Total assets at fair value	$ 41,992,525			
Liabilities:				
Gift annuities payable	30,464	-0-	30,464	-0-

	2020			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investments				
Money market funds	$ 283,330	$ -0-	$ 283,330	$ -0-
Certificates of deposit	58,595	-0-	58,595	-0-
Corporate bonds	1,754,985	-0-	1,754,985	-0-
Government bonds	1,591,876	-0-	1,591,876	-0-
Exchange traded funds	3,693,940	3,693,940	-0-	-0-
Mutual funds	27,783,858	27,783,858	-0-	-0-
Beneficial interest in charitable remainder trusts	118,343	-0-	-0-	118,343
Total assets in fair value hierarchy	35,284,927	31,477,798	3,688,786	118,343
Alternative investments*	750,875			
Total assets at fair value	$ 36,035,802			
Liabilities:				
Gift annuities payable	30,225	-0-	30,225	-0-

* In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the Statement of Financial Position.

The progression of beneficial interest in charitable remainder trusts during the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Beginning balance	$ 118,343	$ 129,503
Change in present value	1,690	(11,160)
Ending balance	$ 120,033	$ 118,343

A summary of hedge funds as of December 31, 2021 and 2020, including balances, restrictions on redemptions and investment objectives, is as follows:

	2021	2020	Redemption Notice	Redemption Frequency
Savile Row Life Settlements Fund V 2017-1, LLC	$ 342,625	$ 566,413	195 days notice	2 year lockup
Savile Row Financials Hedged Equity Institutional Fund M 2016-2, LLC	-0-	24,655	55 days notice	Quarterly
	$ 342,625	$ 591,068		

Savile Row Life Settlements Fund V 2017-1, LLC

The investment objective of the Savile Row Life Settlements Fund V 2017-1 Fund, LLC is to generate attractive returns by investing in life settlements, which are life insurance policies that are sold by the original policyholder to a third party investor who becomes the new owner and beneficiary of the policy.

Savile Row Financials Hedged Equity Institutional Fund M 2016-2, LLC

The investment objective of the Savile Row Financials Hedged Equity Institutional Fund M 2016-2, LLC is to generate superior returns with a focus on the small community bank and thrift sub-sector.

Private equities do not allow withdrawals from the partnership until the partnership is dissolved, unless special approval is granted by the general partner. The investment will not liquidate until specified by the agreement. Distributions are received through the liquidation of the underlying assets of the fund. The timing of the liquidation of these underlying assets is unknown.

Private equity investments, unfunded commitments and their investment objectives consist of the following as of December 31, 2021 and 2020:

	2021	2020	Unfunded Commitment
Regent Street Special Situations Fund S 2016-2, LLC	$ 80,069	$ 159,807	$ 39,323

Regent Street Special Situations Fund S 2016-2, LLC

The investment objective of the Regent Street Special Situations Fund 2016-2, LLC is to target complex and/or capital constrained situations, and invest opportunistically across sectors and the capital structure (debt, equity, warrants, LLC membership interests) to maximize potential returns.

Due to the nature of the investments held by hedge funds and private equity, changes in market conditions and the economic environment may significantly impact the net asset value and, consequently, the fair value of the Foundation's interests in these investments. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the Foundation were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

5. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2021 and 2020 is as follows:

	2021	2020
Building and improvements	$ 594,020	$ 594,020
Furniture and fixtures	53,851	39,791
Computer equipment	98,806	93,634
	746,677	727,445
Less accumulated depreciation	335,321	305,232
	$ 411,356	$ 422,213

6. BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

The Foundation has been named the full or partial beneficiary of several charitable remainder trusts in which the Foundation is not the trustee. Upon termination of the trusts on the donors' deaths, the applicable remainder of the trust will revert to the Foundation. The trust agreements stipulate that a certain portion of the trusts' assets are to be paid out each year to third party beneficiaries named by the donors. The Foundation's interest under these trusts was $120,033 and $118,343 at December 31, 2021 and 2020, respectively. In calculating the present value of the amount to be received upon termination of the trusts, the discount rates used ranged from 0.6% to 2% and the payout rates ranged from 6 percent to 8 percent. The date of the termination of the trusts was determined based on the applicable mortality tables. The change in the present value of the amounts expected to be received under these charitable trusts was $1,690 and $(11,160) for the years ended December 31, 2021 and 2020, respectively.

7. GIFT ANNUITIES PAYABLE

The Foundation has five charitable gift annuities, under which the Foundation received $95,000 and is required to make annual payments to the donors in amounts ranging from $650 to $1,500 for the remainder of the donors' lifetimes. Upon the death of the specified persons, the remaining amount of the gifts is to be used by the Foundation as specified in the respective agreements. The Foundation has recognized a liability of $30,464 and $30,225 at December 31, 2021 and 2020, respectively, for the present value of the amount expected to be paid to the third-party beneficiaries. The liability was calculated based on the life expectancy of the beneficiary of each annuity, derived from the applicable one life or joint-life and last survivor annuity expected return multiples, and using discount rates ranging from 3.2 percent to 9.4 percent. The change in the present value of the amounts expected to be paid under these gift annuities was $(1,864) and $24,972 for the years ended December 31, 2021 and 2020, respectively.

8. CUSTODIAL FUNDS

Custodial funds represents contributions placed on deposit with the Foundation by other organizations based on their individual board resolutions. The Foundation accounts for these transfers as a liability in accordance with applicable accounting standards. Income is added to these funds periodically in accordance with the Foundation's investment allocation policies. Contributions by, investment return credits for, and distributions to those organizations are reflected as adjustments to the liability account and are not reflected in the Statements of Activities. Following is a progression of custodial funds during 2021 and 2020:

	2021	2020
Custodial funds, beginning balance	$ 4,677,673	$ 4,631,786
Contributions and grants	1,893	14,641
Investment return, net	859,547	330,078
Administrative fees	(56,270)	(40,710)
Grant payments	(66,643)	(258,122)
Custodial funds, ending balance	$ 5,416,200	$ 4,677,673

9. TERM DEBT

Term debt consists of a real estate mortgage payable to a bank that matures in December 2029. Monthly payments are $1,191, which includes principal and interest at 4.93% annually. The mortgage is secured by the real estate with a net book value of $294,548 at December 31, 2021.

Maturities of term debt subsequent to December 31, 2021 are as follows:

Year	
2022	$ 9,912
2023	10,412
2024	10,937
2025	11,489
2026	12,068
Thereafter	39,207
	$ 94,025

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2021 and 2020:

	2021	2020
Restricted for specified purpose		
Various based on fund agreements	$ 327,929	$ 393,491
Time restrictions related to		
Charitable trusts	120,033	118,343
Endowment funds		
Restricted in perpetuity	22,656,680	22,112,431
Subject to the Foundation's spending policy	13,490,249	9,281,413
	$ 36,594,891	$ 31,905,678

11. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions in the amount of $1,465,083 and $998,505 based on funds appropriated for expenditure primarily consisting of grants and other program expenses for the years ended December 31, 2021 and 2020, respectively.

12. ENDOWMENT

The majority of the Foundation’s funds consists of endowed funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors 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 gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted endowment funds are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the

Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds.

(1) The duration and preservation of the fund
(2) The purposes of the Foundation 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 Foundation
(7) The investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for granting purposes while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must use for a donor-specified purpose as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk. The Foundation expects its endowment funds, over time, to provide a return that will preserve the purchasing power of the Foundation's assets while supporting the Foundation's grantmaking, expenses, investment fees and inflation. Actual returns in any given year may vary.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest).

The Foundation has a policy of appropriating for distribution each year 4.5 percent of its endowment funds' average fair value over the prior 12 quarters through September 30 of the fiscal year preceding the fiscal year in which the distribution is planned, or a lesser percentage as voted upon annually by the Board of Directors. In establishing this policy, the Foundation considered the long-term expected return on its endowment.

Endowment funds by net asset type at December 31, 2021 and 2020 were as follows:

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Board Designated Funds	$ 127,064	$ -0-	$ 111,867	$ -0-
Donor Restricted Funds	-0-	36,146,929	-0-	31,393,844
	$ 127,064	$ 36,146,929	$ 111,867	$ 31,393,844

Changes in endowment net assets for the years ending December 31, 2021 and 2020 were as follows:

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	$ 111,867	$ 31,393,844	$ 109,152	$ 29,984,907
Contributions and other revenues	-0-	605,502	-0-	387,880
Investment return, net	22,958	5,900,804	8,950	2,180,165
Transfer of administrative fees	-0-	(626,335)	-0-	(439,162)
Appropriation of endowment assets for expenditure	(7,761)	(1,126,886)	(6,235)	(719,946)
Endowment net assets, end of year	$ 127,064	$ 36,146,929	$ 111,867	$ 31,393,844

13. LIQUIDITY

As part of the Foundation's liquidity management, it structures its financial assets to be available as its awarded grants, general expenditures and other obligations become due. The Foundation invests cash in excess of daily requirements in cash and other short-term investments. Financial assets without donor restrictions available for general expenditures within one year of the Statement of Financial Position date comprise the following as of December 31, 2021 and 2020:

	2021	2020
Operating cash	$ 639,872	$ 452,098
Operating investments	58,567	52,683
Other receivables	75	40
	$ 698,514	$ 504,821

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditures. The Foundation has a semi-annual grant approval process. This process includes evaluating a number of factors relative to the spending rate to be applied to the Foundation's fund balances in accordance with its spending policy. Once the Foundation's Board approves the spending rate, the related dollar amount of the funds becomes available for general expenditures.

While not subject to the Foundation's spending policy, expenditures from donor-restricted non-endowed funds must be approved by the Board and, therefore, are not available for general expenditure until that time. Non-endowed funds are held in cash and liquid investments and are made available upon appropriation.

The Foundation's administrative endowment is subject to an annual spending rate of 6 percent. Although the Foundation does not intend to spend from this administrative endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary.

The Foundation also relies on the administrative fees it charges its funds annually to fund operational expenditures. Fees range from 0.5% to 2.25% of fund balance for endowment funds and 2% to 15% of the gift value for pass-through, fiscal sponsorship and non-permanent funds.

14. CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

The Foundation's investments are managed by several investment firms. Certain balances exceed the Securities Investor Protection Corporation insured limits of up to $500,000.

15. RECENTLY ISSUED ACCOUNTING STANDARDS

On September 17, 2020, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This new standard is intended to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit (NFP) organizations, including information on how those assets are used and how they are valued. This new standard requires that an NFP present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, there are expanded disclosure requirements. The Foundation will be required to adopt this new standard in the year ending December 31, 2022.

The Foundation is presently evaluating the effects that this ASU will have on its future financial statements, including related disclosures.