

Community Foundation for Southeast Michigan and Supporting Organizations

Combined Financial Statements as of and for the
Years Ended December 31, 2020 and 2019 and
Independent Auditors' Report

COMMUNITY FOUNDATION FOR SOUTHEAST MICHIGAN AND SUPPORTING ORGANIZATIONS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Community Foundation for Southeast Michigan and
Supporting Organizations
Detroit, Michigan

We have audited the accompanying combined financial statements of the Community Foundation for Southeast Michigan and supporting organizations (the "Foundation"), which are under common control and common management, which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the combined 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 Foundation'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

June 2, 2021

COMMUNITY FOUNDATION FOR SOUTHEAST MICHIGAN AND SUPPORTING ORGANIZATIONS

COMBINED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|-----------------------------------|-------------------------------|-------------------------------|
| ASSETS | | |
| CASH | \$ 11,356,140 | \$ 11,192,681 |
| INVESTMENTS | 1,073,268,779 | 955,160,134 |
| CONTRIBUTIONS RECEIVABLE | 9,109,644 | 11,885,611 |
| DEFERRED GIFTS RECEIVABLE | 4,882,673 | 2,706,261 |
| COMMERCIAL ANNUITIES | 8,082,374 | 20,737,810 |
| ACCRUED INVESTMENT INCOME | 67,424 | 585,034 |
| OTHER ASSETS | <u>6,562,613</u> | <u>6,438,792</u> |
| TOTAL | <u>\$1,113,329,647</u> | <u>\$1,008,706,323</u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES: | | |
| Grant commitments | \$ 15,849,347 | \$ 19,857,919 |
| Accounts payable | 541,388 | 386,013 |
| Charitable gift annuities | <u>13,720,138</u> | <u>31,536,664</u> |
| | 30,110,873 | 51,780,596 |
| Funds held as agency endowments | <u>29,110,418</u> | <u>26,063,634</u> |
| Total liabilities | <u>59,221,291</u> | <u>77,844,230</u> |
| NET ASSETS: | | |
| Without donor restrictions | 1,019,612,379 | 899,200,967 |
| With donor restrictions | <u>34,495,977</u> | <u>31,661,126</u> |
| Total net assets | <u>1,054,108,356</u> | <u>930,862,093</u> |
| TOTAL | <u>\$1,113,329,647</u> | <u>\$1,008,706,323</u> |

See notes to combined financial statements.

**COMMUNITY FOUNDATION FOR SOUTHEAST MICHIGAN AND
SUPPORTING ORGANIZATIONS**

**COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | | | 2019 | | |
|---|-------------------------|----------------------------|-------------------------|----------------------|----------------------------|-------------------------|
| | Total | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions |
| REVENUES, GAINS AND OTHER SUPPORT: | | | | | | |
| Contributions | \$ 121,068,526 | \$ 87,911,901 | \$ 33,156,625 | \$ 96,625,269 | \$ 81,115,866 | \$ 15,509,403 |
| Less amounts received from agencies | (676,811) | (676,811) | | (3,439,172) | (3,439,172) | |
| Net assets released from restrictions | - | 31,004,427 | (31,004,427) | - | 47,505,297 | (47,505,297) |
| Change in value of deferred gifts receivable | 640,098 | | 640,098 | 425,493 | | 425,493 |
| Interest and dividends—net | 8,825,688 | 8,783,133 | 42,555 | 18,961,549 | 18,468,532 | 493,017 |
| Less net interest on amounts held for agencies | (202,420) | (202,420) | | (376,569) | (376,569) | |
| Net unrealized and realized gain on investments | 102,042,351 | 102,042,351 | | 117,594,098 | 117,594,098 | |
| Less gain on investments held for agencies | (3,120,105) | (3,120,105) | | (3,331,145) | (3,331,145) | |
| Remeasurement of charitable gift annuities | 4,610,829 | 4,610,829 | | (273,962) | (273,962) | |
| Administrative revenue from amounts held for agencies | 110,083 | 110,083 | | 101,735 | 101,735 | |
| Miscellaneous income | 490,856 | 490,856 | | 369,986 | 369,986 | |
| Total revenues, gains and other support | <u>233,789,095</u> | <u>230,954,244</u> | <u>2,834,851</u> | <u>226,657,282</u> | <u>257,734,666</u> | <u>(31,077,384)</u> |
| GRANTS AND EXPENSES: | | | | | | |
| Grants | 100,935,380 | 100,935,380 | | 86,965,501 | 86,965,501 | |
| Less amounts granted to agencies | (842,470) | (842,470) | | (796,198) | (796,198) | |
| Prior-year grants canceled | (2,386,992) | (2,386,992) | | (112,467) | (112,467) | |
| Prior-year grants returned | (268,569) | (268,569) | | (161,507) | (161,507) | |
| Direct charitable activities | 5,109,695 | 5,109,695 | | 4,610,900 | 4,610,900 | |
| General and administrative | 7,995,788 | 7,995,788 | | 7,285,815 | 7,285,815 | |
| Total grants and expenses | <u>110,542,832</u> | <u>110,542,832</u> | <u>-</u> | <u>97,792,044</u> | <u>97,792,044</u> | <u>-</u> |
| INCREASE (DECREASE) IN NET ASSETS | 123,246,263 | 120,411,412 | 2,834,851 | 128,865,238 | 159,942,622 | (31,077,384) |
| NET ASSETS—Beginning of year | <u>930,862,093</u> | <u>899,200,967</u> | <u>31,661,126</u> | <u>801,996,855</u> | <u>739,258,345</u> | <u>62,738,510</u> |
| NET ASSETS—End of year | <u>\$ 1,054,108,356</u> | <u>\$ 1,019,612,379</u> | <u>\$ 34,495,977</u> | <u>\$930,862,093</u> | <u>\$899,200,967</u> | <u>\$ 31,661,126</u> |

See notes to combined financial statements.

COMMUNITY FOUNDATION FOR SOUTHEAST MICHIGAN AND SUPPORTING ORGANIZATIONS

COMBINED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase in net assets | \$ 123,246,263 | \$ 128,865,238 |
| Depreciation | 261,854 | 105,964 |
| Net unrealized and realized gain on investments | (98,922,246) | (114,510,185) |
| Remeasurement of charitable gift annuities | (4,610,829) | 273,962 |
| Noncash contributions | (26,983,346) | (11,117,803) |
| Changes in assets and liabilities: | | |
| Contributions and deferred gifts receivable | 599,555 | 15,826,549 |
| Commercial annuities | 552,050 | 1,246,545 |
| Accrued investment income | 517,610 | (448,143) |
| Other assets | (360,220) | (168,134) |
| Grant commitments | (4,008,572) | 2,098,118 |
| Accounts payable | 155,375 | (72,172) |
| Charitable gift annuities | (1,102,311) | (2,183,657) |
| Funds held as agency endowments | <u>3,046,784</u> | <u>6,248,952</u> |
| Net cash (used in) provided by operating activities | <u>(7,608,033)</u> | <u>26,165,234</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of investments | (356,563,003) | (224,693,844) |
| Proceeds from sale of investments | 364,359,950 | 203,954,717 |
| Purchases of fixed assets | <u>(25,455)</u> | <u>(44,175)</u> |
| Net cash provided by (used in) investing activities | <u>7,771,492</u> | <u>(20,783,302)</u> |
| NET INCREASE IN CASH | 163,459 | 5,381,932 |
| CASH—Beginning of year | <u>11,192,681</u> | <u>5,810,749</u> |
| CASH—End of year | <u>\$ 11,356,140</u> | <u>\$ 11,192,681</u> |

See notes to combined financial statements.

COMMUNITY FOUNDATION FOR SOUTHEAST MICHIGAN AND SUPPORTING ORGANIZATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

1. ORGANIZATION

The Community Foundation for Southeast Michigan, founded in 1984, creates permanent, positive change in southeast Michigan through thoughtful philanthropy. With generous support from thousands of donors, the Community Foundation for Southeast Michigan builds resources that will serve community needs in perpetuity and helps individuals, families and businesses fulfill their charitable goals. Other gifts are made to funds that may have a shorter duration; however, in all cases, these funds help connect those who care with causes that matter.

As described in Section 509 (a)(3) of the Internal Revenue Code, Type I supporting organizations are operated, supervised, or controlled by the supported organization. At December 31, 2020, the Community Foundation for Southeast Michigan had seven active Type I supporting organizations. The Gilmour-Jirgens Fund was established in 1995, and the Robert H. Tannahill Foundation was established in 2001. In 2012, the DMC Foundation became a supporting organization to the Community Foundation for Southeast Michigan. The Foundation for Detroit's Future was established in 2014 as a supporting organization of the Community Foundation for Southeast Michigan. The Southeast Michigan Opportunity Trust, established to facilitate gifts to support charitable activities that benefit southeast Michigan, received an initial gift in 2017. The Russell Family Foundation and the Matthew and Karen Cullen Family Foundation were established in 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The accompanying combined financial statements have been prepared on a combined basis to include the Community Foundation for Southeast Michigan and its affiliated supporting organizations (the "Foundation"). All material interorganizational transactions and balances are eliminated in the combined financial statements.

Basis of Presentation—The Foundation's combined financial statements have been prepared on the accrual basis of accounting, which recognizes revenue and support when earned and expenses when incurred in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Asset Classifications—The Foundation is governed subject to its articles of incorporation and bylaws and further by its adopted investment policy, as well as individual gift instruments and agreements. The bylaws of the Foundation include a variance provision and powers of modification, giving the Board of Trustees the power to vary the use of funds if a restriction expressed by a donor would result in use contrary to the intent presumed. As further stated in its articles of incorporation, the Foundation has the ability to distribute all or any part of its net income, principal or property in accordance with the determination made by the Board of Trustees for the purposes set forth in its restated articles of incorporation. Although the Foundation's mission includes building endowed assets based on the provisions noted, the Foundation classifies all contributions, except as noted below, as Without Donor Restrictions for combined financial statements purposes.

Net Assets With Donor Restrictions consist of contributions unconditionally promised, including irrevocable charitable remainder trusts, lead trusts, unconditional pledges and other time-restricted contributions. The Foundation also received grants and contributions from charitable foundations and other donors for direct charitable activities—philanthropic activities that the Foundation engages in directly, rather than by making grants to grantees. Such grants and contributions for which purpose restrictions apply are recorded as With Donor Restrictions until the purpose restrictions are met. When the time or purpose restrictions are met, With Donor Restrictions net assets are reclassified to Without Donor Restrictions net assets and reported as net assets released from restrictions.

The Foundation further classifies its net assets Without Donor Restrictions as of December 31, 2020 and 2019, as follows:

| | 2020 | 2019 |
|---|------------------------|-----------------------|
| Unrestricted | \$ 119,811,367 | \$ 109,511,047 |
| Field of interest | 154,641,969 | 129,588,388 |
| Designated | 268,235,308 | 233,006,631 |
| Scholarship | 7,736,812 | 7,234,336 |
| Advised endowment | 123,692,947 | 93,610,817 |
| Charitable gift annuities | 16,694,107 | 21,971,408 |
| Donor advised | 156,847,631 | 151,378,914 |
| Operating and reserves | 17,149,096 | 15,178,968 |
| Funds held as agency endowments | <u>(29,110,418)</u> | <u>(26,063,634)</u> |
| | | |
| Total net assets without donor restrictions, excluding supporting organizations | 835,698,819 | 735,416,875 |
| | | |
| Net assets of supporting organizations | <u>183,913,560</u> | <u>163,784,092</u> |
| | | |
| Total net assets without donor restrictions | <u>\$1,019,612,379</u> | <u>\$ 899,200,967</u> |

A reconciliation of net assets is included in the combined statements of activities.

Endowment Assets—The Foundation’s Board of Trustees, with the advice of legal counsel, has determined that the majority of the Foundation’s net assets do not meet the definition of endowment under the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”). While not an UPMIFA-defined endowment, the Foundation intends many of its funds to be permanent and manages them accordingly. Further references to “endowment” or “endowed assets” in these notes relate to those intentions of the Foundation.

Endowment Investment and Spending Policies—The Foundation has adopted investment and spending policies for endowment assets with the intent to preserve the purchasing power of those assets and provide a predictable stream of funding to programs supported by its endowment. The Foundation’s spending and investment policies work together to achieve this objective. Diversification by asset class, investment style, and investment manager is employed to avoid undue risk concentration and to enhance total return. The long-term return objective is expressed as a range from 6% to 8%, net of investment fees. Actual returns in any year may vary from this amount. To satisfy its

long-term rate of return objective, 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 spending policy calculates the amount of money annually available for distribution from the Foundation's various endowed funds for grantmaking and administration. The spending policy is reviewed and determined annually by the Board of Trustees. The 2020 and 2019 spending policy is up to 5% of the average market value over the previous 12 quarters, respectively. Accordingly, over the long term, the Foundation intends the current spending policy to allow its endowment assets to grow at the rate of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets, as well as to provide additional real growth through new gifts and investment return.

Cash—Cash principally consists of cash contributions received at year-end and not yet invested, as well as checking accounts.

Commercial Annuities—Commercial annuities were purchased to provide a guaranteed source of funds and to reduce investment risk of certain charitable gift annuities. The commercial annuities are valued at the present value of the estimated future payments to be received.

Other Assets—In 2020 and 2019, other assets included a gift of business interests, gifts of life insurance and accounts receivable. The gift of business interests is recorded at a fair value of \$3,700,000 at both December 31, 2020 and 2019. The Foundation board has adopted gift acceptance policies and guidelines applicable to these and other specific types of gifts.

Charitable Gift Annuities—Charitable gift annuities are contracts between the Foundation and a donor in which the Foundation agrees to pay the donor (or other person named by the donor) a lifetime annuity in return for a gift of cash or marketable securities. A liability is recorded for the amount due to an income beneficiary of a charitable gift annuity based on the present value of the estimated future payments to be distributed during the income beneficiary's expected life. Each year, the liability is remeasured and changes in the liability due to factors other than cash payments, such as changing life expectancies, are recorded as an increase or decrease to revenue and support. The discount rate ranges from 1% to 8% depending on the discount rate in effect at the time of the gift. The Foundation purchased commercial annuities to fund certain of these arrangements.

Grant Commitments—Grant commitments are recognized as liabilities at the time unconditional grants are authorized and expensed by the Foundation, regardless of the year in which they are paid.

Investments—The Foundation's investments are classified as available for sale as defined by accounting standards. Marketable securities, including mutual fund, equity, and debt securities, are reported at fair value based upon quoted market prices, or, when quotes are not available, are valued based on comparable financial instruments.

FASB ASC 820, *Fair Value Measurements and Disclosures*, allows the Foundation, as a practical expedient, to measure the value of certain investments using the net asset value (NAV) per share of the investment. The NAV of the Foundation's collective funds (or common trust funds), private placement funds, and other fund-of-funds investments are

calculated by the fund administrators, and market values as of December 31, 2020 and 2019, are based on valuations provided by the managers of the funds. Management reviews and assesses reasonableness of the fair values, including an evaluation of whether the investment returns are in line with expectations. Audited financial statements and other financial information were received from the fund managers and fair values were confirmed as part of management's evaluation. Because of the inherent uncertainty of valuations, values may differ materially from values had a ready market existed.

Investments structured as limited partnerships, include fixed income, equity, hedge funds, and private market investments and are accounted for using the equity method (which approximates market value). Limited partnerships are valued based on information provided by the general partner and audited financials when available.

Realized gains or losses on investments represent the difference between the original cost of investments and the sales proceeds. Unrealized gains or losses represent the difference between the beginning-of-year value or purchase date during the year and the end-of-year value. Cost is determined on the average-cost basis.

Investment Risks—Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying combined statements of financial position and combined statements of activities.

Funds Held as Agency Endowments—The Foundation maintains variance power and legal ownership of agency endowment funds and, as such, reports the funds as assets of the Foundation. A liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the not-for-profit organizations that are the ultimate recipients and established the funds. All asset transfers of this type and the activity associated with those assets are recognized as agency transactions in the combined financial statements. In order to present the full scope of the Foundation's operations, the Foundation includes the activity (i.e., contributions, net investment income, net investment gains (losses) and grants) related to such transactions in its combined statements of activities and then separately presents the respective agency activity as a reduction thereof. In the combined statements of financial position, the assets held on behalf of the agency are included in investments, and the related liability to the agency is classified as funds held as agency endowments. These assets are managed in accordance with the same investment and spending policies as the Foundation's other endowment funds.

Use of Estimates—The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and the accompanying notes to combined financial statements. Actual results could differ from those estimates.

Retirement Plan—The Foundation has a defined contribution retirement plan covering substantially all of its employees. The Foundation contributes a specified percentage of the annual compensation of participants. Retirement plan expense for 2020 and 2019 was \$366,391 and \$344,842, respectively.

Grants—Unconditional grants are recorded as expenses in the year they are authorized.

New Accounting Pronouncements—In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to establish the principles to report transparent and economically neutral information about the assets and liabilities that arise from leases. In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*, which resulted in the amendments of ASU No. 2016-02 to be effective for fiscal years beginning after December 15, 2021, for nonpublic companies. The Foundation is evaluating the impact this topic will have on the combined financial statements.

In August 2016, the FASB also issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, to reduce the diversity in current practice in how certain cash receipts and cash payments are presented and classified. For entities that are not public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2018. The Foundation adopted this standard effective January 1, 2019. The Foundation evaluated the impact of this topic on the combined financial statements and concluded there was no impact.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, to reduce the diversity in current practice in the classification and presentation of changes in restricted cash in the statements of cash flows. For entities that are not public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2018. The Foundation adopted this standard effective January 1, 2019. The Foundation evaluated the impact of this topic on the combined financial statements and concluded there was no impact.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the accounting guidance on whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance. In addition, it provides a more robust framework for determining whether a contribution is conditional which affects the timing of contribution revenue and expense recognition. It does not apply to transfers of assets from governments. The guidance is applicable for transactions where the entity serves as the resource recipient for fiscal years beginning after December 15, 2018 and for transactions in which the entity serves as the resource provider for fiscal years beginning after December 15, 2019. The Foundation adopted this guidance in circumstances where it is the resource recipient effective January 1, 2019, and concluded there was no material impact. The Foundation is evaluating the impact in circumstances where it is the resource provider.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU adds, modifies and deletes certain disclosures related to Fair Value contained in Topic 820. This guidance was effective beginning January 1, 2020, with early adoption permitted. The Foundation adopted the provisions of ASU 2018-13 on January 1, 2020. The adoption of ASU 2018-13 did not have a material impact on the financial statements and related disclosures.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, which increases the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The Foundation will adopt ASU 2020-07 retrospectively in the reporting period

beginning January 1, 2021, and it will require contributions of nonfinancial assets to be presented separately from contributions of financial assets on the combined statement of activities along with the addition of certain qualitative disclosures on utilization and valuation of the nonfinancial assets contributed. The adoption of this guidance is not expected to have a material impact on the Foundation's combined financial statements.

3. INVESTMENTS

Cost and market value of investments held as of December 31, 2020 and 2019, were as follows:

| | 2020 | | 2019 | |
|---------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| | Cost | Market | Cost | Market |
| Mutual funds: | | | | |
| Money market | \$ 112,379,994 | \$ 112,379,994 | \$ 94,666,100 | \$ 94,666,100 |
| Fixed income | 131,279,496 | 139,388,562 | 135,862,587 | 138,946,265 |
| Equity | 113,041,887 | 137,706,425 | 141,259,618 | 139,527,071 |
| Asset allocation | | | 27,691,578 | 26,714,652 |
| Total mutual funds | <u>356,701,377</u> | <u>389,474,981</u> | <u>399,479,883</u> | <u>399,854,088</u> |
| Equity securities | <u>11,861,975</u> | <u>16,392,537</u> | <u>10,187,814</u> | <u>12,948,357</u> |
| Collective funds: | | | | |
| Equity | 168,786,396 | 242,374,572 | 164,480,148 | 200,798,217 |
| Fixed income | <u>48,984,032</u> | <u>53,380,329</u> | <u>23,992,928</u> | <u>25,734,558</u> |
| Total collective funds | <u>217,770,428</u> | <u>295,754,901</u> | <u>188,473,076</u> | <u>226,532,775</u> |
| U.S. government debt securities | <u>14,830,068</u> | <u>14,848,879</u> | <u>10,618,794</u> | <u>10,632,853</u> |
| Corporate debt securities | <u>6,242,498</u> | <u>6,470,653</u> | <u>3,128,653</u> | <u>3,170,473</u> |
| Total marketable securities | <u>607,406,346</u> | <u>722,941,951</u> | <u>611,888,220</u> | <u>653,138,546</u> |
| Hybrid fund of funds | | | <u>271,761</u> | <u>664,134</u> |
| Limited partnerships: | | | | |
| Fixed income | 40,354,585 | 38,488,112 | 39,896,329 | 37,825,725 |
| Equity | 114,350,608 | 166,374,598 | 102,492,242 | 120,972,485 |
| Private markets | <u>126,821,084</u> | <u>145,464,118</u> | <u>122,289,231</u> | <u>142,559,244</u> |
| Total limited partnerships | <u>281,526,277</u> | <u>350,326,828</u> | <u>264,677,802</u> | <u>301,357,454</u> |
| Total | <u>\$ 888,932,623</u> | <u>\$ 1,073,268,779</u> | <u>\$ 876,837,783</u> | <u>\$ 955,160,134</u> |

Investment activity in 2020 and 2019, included change in unrealized gain of \$90,122,901 and \$106,092,679, and realized gain of \$11,919,450 and \$11,501,419, respectively.

Equity-invested limited partnerships (with carrying value of \$166,374,598 and \$120,972,485 at December 31, 2020 and 2019, respectively) consist primarily of underlying investments that are marketable and have a readily determinable fair market value.

4. CONTRIBUTIONS RECEIVABLE AND DEFERRED GIFTS RECEIVABLE

Contributions represent current-year contributions as well as unconditional promises to give. Contributions are recorded at fair market value on the date of donation. Unconditional promises to give and deferred gifts are recorded at the present value of expected net proceeds.

Contributions receivable are recorded at the estimated value on the date of the gift and an allowance for uncollectible amounts is reviewed annually and adjusted, as necessary. Contributions due in more than one year are discounted at rates between 1.93% and 4.8% using the discount rate in effect at the time of gift.

Contributions receivable represent unconditional pledges, which are expected to be received as of December 31, 2020 and 2019, as follows:

| | 2020 | 2019 |
|--|---------------------|----------------------|
| Within one year | \$ 6,204,073 | \$ 8,187,627 |
| One to five years | 2,478,501 | 3,165,694 |
| More than five years | <u>836,506</u> | <u>1,105,413</u> |
| Total | 9,519,080 | 12,458,734 |
| Less present value factor at varying rates | (153,436) | (280,123) |
| Less allowance for uncollectible accounts | <u>(256,000)</u> | <u>(293,000)</u> |
| Total contributions receivable | <u>\$ 9,109,644</u> | <u>\$ 11,885,611</u> |

Deferred gifts receivable consists primarily of charitable remainder trusts. Contribution revenue is recorded when the Foundation has the unconditional and irrevocable right to receive benefits under the agreements. Deferred gifts are recorded at the present value of the revenue to be received using discount rates between 2.69% and 7.60% based on the year the trust was established. An allowance for uncollectible amounts is reviewed annually and adjusted, as necessary.

Deferred gifts receivable expected to be received as of December 31, 2020 and 2019, are as follows:

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Within one year | \$ 1,700,000 | \$ - |
| One to five years | 2,610,335 | 2,026,612 |
| More than five years | <u>1,764,063</u> | <u>1,854,788</u> |
| Total | 6,074,398 | 3,881,400 |
| Less present value factor at varying rates | (1,070,725) | (1,097,139) |
| Less allowance for uncollectible amounts | <u>(121,000)</u> | <u>(78,000)</u> |
| Total deferred gifts receivable | <u>\$ 4,882,673</u> | <u>\$ 2,706,261</u> |

Contributions receivable and deferred gifts receivable are classified as net assets with donor restriction until received and are adjusted to fair market value at each combined statements of financial position date. Once received, the gift is reclassified to net assets without donor restriction.

The Foundation's contributions and deferred gifts receivable released from restrictions during the years ended December 31, 2020 and 2019, amounted to \$2,475,160 and \$19,067,042, respectively.

5. COMMITMENTS AND CONTINGENCIES

Future minimum rental payments required under building operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2020, are as follows:

| Years Ending December 31 | |
|-------------------------------------|--------------------|
| 2021 | \$ 417,331 |
| 2022 | 437,658 |
| 2023 | 477,529 |
| 2024 | 478,386 |
| 2025 | 479,269 |
| Thereafter | <u>480,177</u> |
| Total | <u>\$2,770,350</u> |

Total rental expense under operating leases aggregated \$405,109 and \$375,047 in 2020 and 2019, respectively.

6. TAX STATUS

The Foundation and its supporting organizations have been recognized by the Internal Revenue Service as organizations described in Internal Revenue Code (IRC) 501(c)(3) and 509(a) as public charities and are exempt from federal income taxes under IRC 501(a) and, accordingly, no provision has been made for such taxes. The Foundation has evaluated FASB ASC 740, *Income Taxes*, and has concluded it has no uncertain tax positions.

7. GRANTS

The Foundation's grants, excluding supporting organizations and including those to agencies, totaling \$76,723,910 and \$62,740,021 were approved and recognized in the 2020 and 2019 combined statements of activities. Actual Community Foundation for Southeast Michigan grants paid, including those to agencies, in 2020 and 2019 were \$77,580,674 and \$61,601,769, respectively. Supporting organization grants totaling \$24,211,470 and \$24,225,480 were approved and recognized in the 2020 and 2019, combined statements of activities. Actual supporting organization grants paid in 2020 and 2019 were \$25,596,286 and \$25,556,273, respectively. Grants between supporting organizations and the Foundation in 2020 and 2019 were \$660,543 and \$2,338,969, respectively.

Grant commitments represent unconditional payments, which are scheduled to be paid as of December 31, 2020 and 2019:

| | 2020 | 2019 |
|-------------------------|---------------------|---------------------|
| Less than one year | \$15,204,445 | \$18,709,060 |
| One to five years | <u>644,902</u> | <u>1,148,859</u> |
| Total grant commitments | <u>\$15,849,347</u> | <u>\$19,857,919</u> |

8. FAIR VALUE MEASUREMENTS

The Foundation utilizes the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*, in the preparation of its combined financial statements and related disclosures. This guidance establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs used in valuation techniques into the following three levels:

Level 1—inputs are quoted prices for identical assets in active markets at the measurement date.

Level 2—inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, such as quoted prices for similar assets.

Level 3—inputs are unobservable inputs that cannot be corroborated by observable market data.

Assets measured at fair value on a recurring basis, as listed in the tables below, use the following valuation methodologies:

Mutual funds are valued at the closing price reported on the active market on which the individual securities are traded and are classified as Level 1 within the fair value hierarchy.

Equity securities are valued at the closing price reported on the active market on which the individual securities are traded and are classified as Level 1 within the fair value hierarchy.

U.S. government debt securities are valued using quoted market prices and/or other market data for the same or similar securities in establishing prices and are classified as Level 2 within the fair value hierarchy.

Corporate debt securities are valued using quoted market prices for similar assets in active markets and are classified as Level 2 within the fair value hierarchy.

The Foundation uses NAV when available to determine the fair value of investments in funds that do not have a readily determinable market value. The Foundation's investments in funds that calculate NAV per share consist of investments in private placement mutual funds, collective funds, and hybrid fund of funds.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. Management's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgement, including consideration of inputs specific to the investment.

Limited partnerships are accounted for under the equity method; however, the transparency of the holdings is such that equity approximates fair value. Values are based on information provided by the general partner; management also considers the audited financial information to determine overall reasonableness of the recorded value.

The following table presents information about the Foundation's assets recorded at fair value on a recurring basis as of December 31, 2020, according to the valuation techniques used by the Foundation to determine those fair values (there were no assets measured on a nonrecurring basis as of December 31, 2020):

| | 2020 | | | |
|---|--|--|--|---------------------------------|
| | Quoted Prices in Active Markets (Level 1) | Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) | Total Fair Value |
| Recurring fair value measurements: | | | | |
| Mutual funds: | | | | |
| Money market | \$ 112,379,994 | \$ - | \$ - | \$ 112,379,994 |
| Fixed income | 139,388,562 | | | 139,388,562 |
| Equity | <u>137,706,425</u> | | | <u>137,706,425</u> |
| | 389,474,981 | - | - | 389,474,981 |
| Equity securities | 16,392,537 | | | 16,392,537 |
| U.S. government debt securities | | 14,848,879 | | 14,848,879 |
| Corporate debt securities | | <u>6,470,653</u> | | <u>6,470,653</u> |
| Total fair value measurements | <u>405,867,518</u> | <u>21,319,532</u> | <u>-</u> | <u>427,187,050</u> |
| Investments measured at net asset value: | | | | |
| Private placement funds | | | | <u>70,370,189</u> |
| Collective funds: | | | | |
| Equity | | | | 242,374,572 |
| Fixed income | | | | <u>53,380,329</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>295,754,901</u> |
| Total assets measured at net asset value | <u>-</u> | <u>-</u> | <u>-</u> | <u>366,125,090</u> |
| Limited partnerships (under equity method): | | | | |
| Fixed income | | | | 38,488,112 |
| Equity | | | | 166,374,598 |
| Private markets | | | | <u>75,093,929</u> |
| Total assets under equity method | <u>-</u> | <u>-</u> | <u>-</u> | <u>279,956,639</u> |
| Total assets | <u>\$ 405,867,518</u> | <u>\$ 21,319,532</u> | <u>\$ -</u> | <u>\$ 1,073,268,779</u> |

Additional information related to investments recorded at fair value using NAV is as follows:

| | <u>Net Asset Value</u> 2020 | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|------------------------------|--------------------------------|-------------------------|-------------------------|-----------------------------|
| Private placement fund | \$22,244,063 | \$ - | Monthly | 90 days |
| Private placement fund | 27,724,995 | | Quarterly | 60 days |
| Private placement fund | 20,401,131 | | Quarterly | 45 days |
| Equity collective fund | 96,059,205 | | Daily | 2 days |
| Equity collective fund | 88,357,490 | | Daily | 3 days |
| Equity collective fund | 55,916,872 | | Daily | 3 days |
| Equity collective fund | 2,041,005 | | Daily | N/A |
| Fixed income collective fund | 28,607,730 | | Daily | 3 days |
| Fixed income collective fund | 24,772,599 | | Daily | 2 days |

As of December 31, 2020 and 2019, the Foundation had commitments to contribute \$58,010,395 and \$50,527,621, respectively, in additional capital under the terms of various limited partnership agreements over the next three to five years.

The following table presents information about the Foundation's assets recorded at fair value on a recurring basis as of December 31, 2019, according to the valuation techniques used by the Foundation to determine those fair values (there were no assets measured on a nonrecurring basis as of December 31, 2019):

| | 2019 | | | |
|---|--|--|--|---------------------------------|
| | Quoted Prices in Active Markets (Level 1) | Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) | Total Fair Value |
| Recurring fair value measurements: | | | | |
| Mutual funds: | | | | |
| Money market | \$ 94,666,100 | \$ - | \$ - | \$ 94,666,100 |
| Fixed income | 138,946,265 | | | 138,946,265 |
| Equity | 139,527,071 | | | 139,527,071 |
| Asset allocation | <u>26,714,652</u> | | | <u>26,714,652</u> |
| | 399,854,088 | - | - | 399,854,088 |
| Equity securities | 12,948,357 | | | 12,948,357 |
| U.S. government debt securities | | 10,632,853 | | 10,632,853 |
| Corporate debt securities | | <u>3,170,473</u> | | <u>3,170,473</u> |
| Total fair value measurements | <u>412,802,445</u> | <u>13,803,326</u> | <u>-</u> | <u>426,605,771</u> |
| Investments measured at net asset value: | | | | |
| Private placement funds | | | | <u>76,782,136</u> |
| Collective funds: | | | | |
| Equity | | | | 200,798,217 |
| Fixed income | | | | <u>25,734,558</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>226,532,775</u> |
| Hybrid fund of funds | | | | <u>664,134</u> |
| Total assets measured at net asset value | <u>-</u> | <u>-</u> | <u>-</u> | <u>303,979,045</u> |
| Limited partnerships (under equity method): | | | | |
| Fixed income | | | | 37,825,725 |
| Equity | | | | 120,972,485 |
| Private markets | | | | <u>65,777,108</u> |
| Total assets under equity method | <u>-</u> | <u>-</u> | <u>-</u> | <u>224,575,318</u> |
| Total assets | <u>\$412,802,445</u> | <u>\$13,803,326</u> | <u>\$ -</u> | <u>\$955,160,134</u> |

Additional information related to investments recorded at fair value using NAV is as follows:

| | <u>Net Asset Value</u> 2019 | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|------------------------------|--------------------------------|-------------------------|-------------------------|-----------------------------|
| Private placement fund | \$20,693,808 | \$ - | Monthly | 90 days |
| Private placement fund | 25,953,171 | | Quarterly | 60 days |
| Private placement fund | 14,634,023 | | Monthly | 3 days |
| Private placement fund | 15,501,134 | | Quarterly | 45 days |
| Equity collective fund | 73,430,165 | | Daily | 2 days |
| Equity collective fund | 5,355,639 | | Daily | N/A |
| Hybrid fund of funds | 664,134 | | 3/26/2020 | N/A |
| Equity collective fund | 74,654,770 | | Daily | 3 days |
| Equity collective fund | 42,363,679 | | Daily | 3 days |
| Fixed income collective fund | 25,734,558 | | Daily | 3 days |
| Equity collective fund | 4,993,964 | | Daily | N/A |

9. ENDOWMENT BY NET ASSET CLASS

As of December 31, 2020, the composition of endowment by type of fund is as follows:

| Endowment by Net Asset Class | <u>2020</u> | | |
|-------------------------------------|---|--|-----------------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total Net Assets |
| Endowment funds: | | | |
| Unrestricted | \$ 119,811,367 | \$ - | \$ 119,811,367 |
| Field of interest | 154,641,969 | | 154,641,969 |
| Designated | 268,235,308 | | 268,235,308 |
| Scholarship | 7,736,812 | | 7,736,812 |
| Advised endowment | 123,692,947 | | 123,692,947 |
| Supporting organization | <u>135,184,259</u> | | <u>135,184,259</u> |
| Total endowment funds | <u>\$ 809,302,662</u> | <u>\$ -</u> | <u>\$ 809,302,662</u> |

Endowment funds include funds that are subject to the Foundation's spending policy under governing documents, but are not endowment funds as defined by UPMIFA.

The summary of changes in endowment net assets as of December 31, 2020 is as follows:

| Changes in Endowment Net Assets | 2020 | | |
|--|-----------------------------------|--------------------------------|-------------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total Net Assets |
| Endowment net assets—beginning of year | \$ 695,405,189 | \$ - | \$ 695,405,189 |
| Contributions | 44,336,861 | | 44,336,861 |
| Investment earnings—net of investment expenses | 88,196,329 | | 88,196,329 |
| Grants or scholarships | (26,732,999) | | (26,732,999) |
| Administrative expenses | (5,396,870) | | (5,396,870) |
| Other changes | <u>13,494,152</u> | | <u>13,494,152</u> |
| Endowment net assets—end of year | <u>\$ 809,302,662</u> | <u>\$ -</u> | <u>\$ 809,302,662</u> |

As of December 31, 2019, the composition of endowment by type of fund is as follows:

| Endowment by Net Asset Class | 2019 | | |
|-------------------------------------|-----------------------------------|--------------------------------|-------------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total Net Assets |
| Endowment funds: | | | |
| Unrestricted | \$ 109,511,047 | \$ - | \$ 109,511,047 |
| Field of interest | 129,588,388 | | 129,588,388 |
| Designated | 233,006,631 | | 233,006,631 |
| Scholarship | 7,234,336 | | 7,234,336 |
| Advised endowment | 93,610,817 | | 93,610,817 |
| Supporting organization | <u>122,453,970</u> | | <u>122,453,970</u> |
| Total endowment funds | <u>\$ 695,405,189</u> | <u>\$ -</u> | <u>\$ 695,405,189</u> |

The summary of changes in endowment net assets as of December 31, 2019 is as follows:

| Changes in Endowment Net Assets | 2019 | | Total Net Assets |
|---|---|--|-----------------------------|
| | Without Donor Restrictions | With Donor Restrictions | |
| Endowment net assets—beginning of year | \$ 573,132,709 | \$ 10,080,000 | \$ 583,212,709 |
| Contributions | 27,315,236 | | 27,315,236 |
| Investment earnings—net of investment expenses | 109,803,218 | | 109,803,218 |
| Grants or scholarships | (24,786,299) | | (24,786,299) |
| Administrative expenses | (4,958,533) | | (4,958,533) |
| Other changes | <u>14,898,858</u> | <u>(10,080,000)</u> | <u>4,818,858</u> |
| Endowment net assets—end of year | <u>\$ 695,405,189</u> | <u>\$ -</u> | <u>\$ 695,405,189</u> |

10. ASSET TRANSFER TO DMC FOUNDATION

In 2010, Vanguard Health Systems, an investor-owned corporation, that is now owned by Tenet Healthcare, purchased the noncharitable assets of the nonprofit Detroit Medical Center. The Detroit Medical Center retained the charitable funds and was renamed Legacy DMC. Pursuant to an agreement with the Office of the Michigan Attorney General, certain of those charitable funds were to be transferred to the Detroit Community Health Foundation (now, DMC Foundation).

Pursuant to the charitable asset transfer agreement approved by the office of the Michigan Attorney General, DMC Foundation provided \$2.5 million in funding for the operation of Legacy DMC for monitoring compliance by Vanguard Health Systems with charitable covenants. Under the agreement, any portion of the \$2.5 million that is not spent after 10 years shall be returned to the DMC Foundation. Similarly, if Legacy DMC justifies the need for additional funds, the DMC Foundation may have to make an additional contribution to Legacy DMC for operating reserves. This contingent receivable or liability has not been included in these combined financial statements.

Subsequent to year end, in January 2021, DMC Foundation signed an agreement with Legacy DMC to receive \$2 million of the estimated \$2.5 million. This amount was received in February 2021. Any remaining funds may be returned to DMC Foundation in 2021.

11. LIQUIDITY AND FUNDS AVAILABLE

Financial assets available for general expenditures within one year as of December 31, 2020 and 2019 are as follows:

| | 2020 | 2019 |
|---|----------------------|----------------------|
| Cash and mutual funds | \$ 53,201,696 | \$ 43,515,429 |
| Other mutual funds | 158,126,264 | 152,914,220 |
| Contributions receivable | 3,979,325 | 6,099,792 |
| Other assets | <u>402,246</u> | <u>981,738</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$215,709,531</u> | <u>\$203,511,179</u> |

The Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Foundation invests cash in excess of daily requirements in short-term investments and money market funds.

Mutual funds listed above consist of non-endowed donor advised investments. The Foundation generally uses these assets for grantmaking based on donor recommendations.

In addition to the financial assets listed above, as described in Note 2, the Foundation's endowments are subject to an annual spending policy. For both years ended December 31, 2020 and 2019, this rate is up to 5% of the average market value over the previous 12 quarters. Approximately \$35 million and \$31 million from the endowment will be available within one years of December 31, 2020 and 2019, respectively.

12. EXPENSE ANALYSIS

The Foundation's expenses have been allocated between program and supporting activities. Program includes the grants authorized by the Foundation to support a wide range of projects and organizations as well as the grantmaking activities of the Foundation. Program also includes direct charitable activities which are philanthropic initiatives the Foundation engages in directly, rather than by making grants to grantees. All other administrative expenses have been allocated to supporting activities.

Salaries and benefits are allocated based on time spent on activities as recorded by employees. Expenses which apply to more than one functional category have been allocated based on estimates of time and effort. All other costs are charged directly to the appropriate functional category. The Foundation's functional expenses, displayed by natural expense classification, for the years ended December 31, 2020 and 2019 were as follows:

| | 2020 | | | | | | | Total Grants and Expenses |
|---|----------------------|---------------------------------|---------------------------|-----------------------|---------------------------|-------------------|------------------------|---------------------------------|
| | Program Activities | | | Supporting Activities | | | | |
| | Grants | Direct Charitable Activities | Program Administration | Subtotal Program | General Administration | Fundraising | Subtotal Supporting | |
| Grants | \$100,935,380 | \$ - | \$ - | \$100,935,380 | \$ - | \$ - | \$ - | \$100,935,380 |
| less, prior year returns and cancellations | (2,655,561) | | | (2,655,561) | | | | (2,655,561) |
| less, amount granted to agencies | (842,470) | | | (842,470) | | | | (842,470) |
| Salaries and benefits | | 958,481 | 1,633,867 | 2,592,348 | 2,531,820 | 686,893 | 3,218,713 | 5,811,061 |
| Payroll taxes | | 57,032 | 87,494 | 144,526 | 133,951 | 36,649 | 170,600 | 315,126 |
| Legal | | 22,053 | 110,478 | 132,531 | 29,233 | 57,645 | 86,878 | 219,409 |
| Consultants/professional services | | 3,774,101 | 60,639 | 3,834,740 | 823,143 | | 823,143 | 4,657,883 |
| Meetings and events | | 17,633 | 17,223 | 34,856 | 29,418 | 1,841 | 31,259 | 66,115 |
| Travel | | 9,781 | 1,765 | 11,546 | 16,213 | 152 | 16,365 | 27,911 |
| Information technology | | 7,354 | 185,256 | 192,610 | 196,922 | 60,628 | 257,550 | 450,160 |
| Publications and promotion | | 37,044 | 4,183 | 41,227 | 166,683 | 25,385 | 192,068 | 233,295 |
| Occupancy | | 92,424 | 152,175 | 244,599 | 232,976 | 63,743 | 296,719 | 541,318 |
| Office expense | | 43,444 | 119,852 | 163,296 | 449,878 | 50,468 | 500,346 | 663,642 |
| Other | | 90,348 | 2,140 | 92,488 | 16,036 | 11,039 | 27,075 | 119,563 |
| Total | <u>\$ 97,437,349</u> | <u>\$ 5,109,695</u> | <u>\$ 2,375,072</u> | <u>\$104,922,116</u> | <u>\$ 4,626,273</u> | <u>\$ 994,443</u> | <u>\$ 5,620,716</u> | <u>\$110,542,832</u> |

2019

| | Program Activities | | | Supporting Activities | | | Total Grants and Expenses | |
|---|----------------------------|---------------------------------|---------------------------|----------------------------|---------------------------|-------------------------|---------------------------------|----------------------------|
| | Grants | Direct Charitable Activities | Program Administration | Subtotal Program | General Administration | Fundraising | | Subtotal Supporting |
| Grants | \$86,965,501 | \$ - | \$ - | \$86,965,501 | \$ - | \$ - | \$ - | \$86,965,501 |
| less, prior year returns and cancellations | (273,974) | | | (273,974) | | | | (273,974) |
| less, amount granted to agencies | (796,198) | | | (796,198) | | | | (796,198) |
| Salaries and benefits | | 965,070 | 1,310,437 | 2,275,507 | 2,416,976 | 655,696 | 3,072,672 | 5,348,179 |
| Payroll taxes | | 55,769 | 71,072 | 126,841 | 124,376 | 35,305 | 159,681 | 286,522 |
| Legal | | 23,544 | 126,013 | 149,557 | 61,441 | 39,385 | 100,826 | 250,383 |
| Consultants/professional services | | 3,121,902 | 57,447 | 3,179,349 | 720,521 | | 720,521 | 3,899,870 |
| Meetings and events | | 98,045 | 34,985 | 133,030 | 41,768 | 9,748 | 51,516 | 184,546 |
| Travel | | 66,213 | 20,172 | 86,385 | 49,881 | 2,711 | 52,592 | 138,977 |
| Information technology | | 112,554 | 163,967 | 276,521 | 387,939 | 29,609 | 417,548 | 694,069 |
| Publications and promotion | | 86,783 | 43,172 | 129,955 | 132,874 | 58,439 | 191,313 | 321,268 |
| Occupancy | | 50,728 | 119,109 | 169,837 | 208,442 | 59,168 | 267,610 | 437,447 |
| Office expense | | 30,292 | 5,206 | 35,498 | 72,158 | 611 | 72,769 | 108,267 |
| Other | | | 32,637 | 32,637 | 169,180 | 25,370 | 194,550 | 227,187 |
| Total | <u>\$85,895,329</u> | <u>\$4,610,900</u> | <u>\$1,984,217</u> | <u>\$92,490,446</u> | <u>\$4,385,556</u> | <u>\$916,042</u> | <u>\$5,301,598</u> | <u>\$97,792,044</u> |

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 2, 2021, the date these combined financial statements were available to be issued, and has determined that there are no events that require disclosure, except the following:

The Foundation continues to monitor the ongoing COVID-19 pandemic. Due to market volatility and economic measures taken to contain the virus, there may be impact to our operations and financial position, however as the situation continues to evolve we are unable to estimate those impacts, if any, at this time. The Foundation has sufficient cash and liquid investments to meet grant payments and other obligations.

In April 2021, the Foundation made new commitments to invest \$30,000,000 under the terms of various limited partnership agreements over the next three to five years.

* * * * *