

**CENTRAL CAROLINA  
COMMUNITY FOUNDATION  
CONSOLIDATED FINANCIAL REPORT  
JUNE 30, 2022**

# CENTRAL CAROLINA COMMUNITY FOUNDATION

FOR THE YEAR ENDED JUNE 30, 2022

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## TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS..... 1 - 3

### CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position ..... 4

Consolidated statements of activities ..... 5 and 6

Consolidated statements of functional expenses ..... 7 and 8

Consolidated statements of cash flows ..... 9

Notes to consolidated financial statements ..... 10 - 25



## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Trustees  
Central Carolina Community Foundation  
Columbia, South Carolina**

### **Opinion**

We have audited the accompanying consolidated financial statements of **Central Carolina Community Foundation** (a nonprofit organization), its **Subsidiary** (CCCF Real Estate Holding, LLC), and **Supporting Organization** (New Morning Foundation), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Central Carolina Community Foundation, its Subsidiary and Supporting Organization as of June 30, 2022 and 2021, 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.

We did not audit the 2022 or 2021 financial statements of New Morning Foundation, a supporting organization, whose statements reflect total assets of \$8,704,762 and \$9,598,750 as of June 30, 2022 and 2021, respectively, and total revenues of \$10,758,292 and \$10,872,029 for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for New Morning Foundation is based solely on the report of the other auditors.

### **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 Central Carolina Community Foundation, its Subsidiary, and its Supporting Organization 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.

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## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Carolina Community Foundation, its Subsidiary, and its Supporting Organization'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 consolidated 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 Central Carolina Community Foundation and its Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Carolina Community Foundation, its Subsidiary and its Supporting Organization's ability to continue as a going concern for a reasonable period of time.

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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.

*Mauldin & Jenkins, LLC*

Columbia, South Carolina  
March 6, 2024

**CENTRAL CAROLINA COMMUNITY FOUNDATION  
ITS SUBSIDIARY AND SUPPORTING ORGANIZATION**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 14,072,283	\$ 15,536,374
Accrued interest	6,015	6,112
Investments	155,607,750	171,033,133
Other assets	120,932	64,769
Office equipment, net of accumulated depreciation of \$344,122 (2022) and \$306,435 (2021)	138,741	160,839
Interest in real estate limited liability companies	1,248,524	5,033,516
Interest in charitable remainder unitrusts	13,513,315	14,496,087
Interest in life insurance policies	76,748	156,590
Interest in lead annuity trusts	179,701	935,058
<b>Total assets</b>	<b>184,964,009</b>	<b>207,422,478</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	708,809	759,076
Deferred liabilities	89,359	99,710
Life insurance payable to other charities	-	58,789
Notes payable	666,667	666,667
Due to supporting organizations	2,134,236	2,696,078
Funds held as agency endowments	13,183,352	15,159,738
<b>Total liabilities</b>	<b>16,782,423</b>	<b>19,440,058</b>
Net Assets		
Without donor restriction		
Designated fund	22,225,478	23,640,479
Donor-advised fund	90,909,791	101,941,476
Field-of-interest fund	11,599,532	12,279,432
Unrestricted fund	12,910,530	15,977,753
Board designated	7,697,872	9,625,672
<b>Total without donor restrictions</b>	<b>145,343,203</b>	<b>163,464,812</b>
With donor restrictions	<b>22,838,383</b>	<b>24,517,608</b>
<b>Total net assets</b>	<b>168,181,586</b>	<b>187,982,420</b>
 <b>Total liabilities and net assets</b>	<b>\$ 184,964,009</b>	<b>\$ 207,422,478</b>

See notes to consolidated financial statements.

**CENTRAL CAROLINA COMMUNITY FOUNDATION  
ITS SUBSIDIARY AND SUPPORTING ORGANIZATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue</b>			
Contributions	\$ 25,427,351	\$ 11,028,851	\$ 36,456,202
Less: contributions to agency endowments	(1,006,813)	-	(1,006,813)
Interest and dividends	7,303,225	-	7,303,225
Less: interest and dividends received for agency endowments	(799,673)	-	(799,673)
Revenues from unitrusts, annuity trusts & pooled income funds	-	(1,679,340)	(1,679,340)
Change in cash surrender value of life insurance	-	(79,842)	(79,842)
Sales of securities and other property	20,109,862	-	20,109,862
Less: proceeds from sales of agency endowments securities	(2,058,292)	-	(2,058,292)
Unrealized (depreciation) on securities	(54,226,899)	-	(54,226,899)
Less: depreciation of agency endowment securities	6,108,355	-	6,108,355
Realized and unrealized losses	(311,842)	-	(311,842)
Other income	127,040	-	127,040
Paycheck Protection Program forgiveness income	166,868	-	166,868
Net assets released from restrictions	10,948,894	(10,948,894)	-
<b>Total public support and revenue</b>	<u>11,788,076</u>	<u>(1,679,225)</u>	<u>10,108,851</u>
<b>Expenses</b>			
Program Services			
Grants and related expenses	28,938,320	-	28,938,320
Less: grants to agency endowments	(482,404)	-	(482,404)
<b>Total program services</b>	<u>28,455,916</u>	<u>-</u>	<u>28,455,916</u>
Support Services			
Management and general	666,861	-	666,861
Fundraising and advancement	786,908	-	786,908
<b>Total support services</b>	<u>1,453,769</u>	<u>-</u>	<u>1,453,769</u>
<b>Total expenses</b>	<u>29,909,685</u>	<u>-</u>	<u>29,909,685</u>
<b>Decrease in net assets</b>	(18,121,609)	(1,679,225)	(19,800,834)
<b>Net Assets</b>			
Beginning of year	163,464,812	24,517,608	187,982,420
<b>End of year</b>	<u>\$ 145,343,203</u>	<u>\$ 22,838,383</u>	<u>\$ 168,181,586</u>

See notes to consolidated financial statements.

**CENTRAL CAROLINA COMMUNITY FOUNDATION  
ITS SUBSIDIARY AND SUPPORTING ORGANIZATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue</b>			
Contributions	\$ 14,135,281	\$ 10,020,000	\$ 24,155,281
Less: contributions to agency endowments	(1,456,658)	-	(1,456,658)
Interest and dividends	5,394,394	-	5,394,394
Less: interest and dividends received for agency endowments	(467,584)	-	(467,584)
Revenues from unitrusts, annuity trusts & pooled income funds	614,081	1,578,225	2,192,306
Change in cash surrender value of life insurance	-	6,857	6,857
Sales of securities and other property	4,764,332	-	4,764,332
Less: proceeds from sales of agency endowments securities	(349,715)	-	(349,715)
Unrealized appreciation on securities	27,077,900	-	27,077,900
Less: depreciation of agency endowment securities	(2,388,913)	-	(2,388,913)
Realized and unrealized gains	422,066	-	422,066
Other income	242,529	-	242,529
Paycheck Protection Program forgiveness income	340,800	-	340,800
Net assets released from restrictions	12,366,963	(12,366,963)	-
<b>Total public support and revenue</b>	<u>60,695,476</u>	<u>(761,881)</u>	<u>59,933,595</u>
<b>Expenses</b>			
Program Services			
Grants and related expenses	28,450,866	-	28,450,866
Less: grants to agency endowments	(219,242)	-	(219,242)
<b>Total program services</b>	<u>28,231,624</u>	<u>-</u>	<u>28,231,624</u>
Support Services			
Management and general	634,890	-	634,890
Fundraising and advancement	747,755	-	747,755
<b>Total support services</b>	<u>1,382,645</u>	<u>-</u>	<u>1,382,645</u>
<b>Total expenses</b>	<u>29,614,269</u>	<u>-</u>	<u>29,614,269</u>
<b>Increase (decrease) in net assets</b>	31,081,207	(761,881)	30,319,326
<b>Net Assets</b>			
Beginning of year	132,383,605	25,279,489	157,663,094
<b>End of year</b>	<u>\$ 163,464,812</u>	<u>\$ 24,517,608</u>	<u>\$ 187,982,420</u>

See notes to consolidated financial statements.



**CENTRAL CAROLINA COMMUNITY FOUNDATION  
ITS SUBSIDIARY AND SUPPORTING ORGANIZATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	Program Services	Supporting Services		Total
		Management and General	Fundraising and Advancement	
Grants and scholarships	\$ 19,405,028	\$ 61	\$ 100	\$ 19,405,189
Salaries and benefits	2,478,429	465,478	546,842	3,490,749
Professional and administrative services	3,504,816	49,429	63,707	3,617,952
Communications and marketing	2,447,187	34,096	56,116	2,537,399
Office expenses	141,229	25,999	22,302	189,530
Information technology	62,261	15,949	25,366	103,576
Rent and building expenses	189,964	39,825	64,415	294,204
Professional development and travel	206,782	11,817	8,060	226,659
Depreciation	20,220	24,207	-	44,427
<b>Total expenses by function</b>	<b>\$ 28,455,916</b>	<b>\$ 666,861</b>	<b>\$ 786,908</b>	<b>\$ 29,909,685</b>

See notes to consolidated financial statements.

**CENTRAL CAROLINA COMMUNITY FOUNDATION  
ITS SUBSIDIARY AND SUPPORTING ORGANIZATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	Program Services	Supporting Services		Total
		Management and General	Fundraising and Advancement	
Grants and scholarships	\$ 20,064,856	\$ 305	\$ 500	\$ 20,065,661
Salaries and benefits	2,383,868	448,032	518,170	3,350,070
Professional and administrative services	2,415,162	42,894	51,684	2,509,740
Communications and marketing	2,875,638	43,072	70,888	2,989,598
Office expenses	142,009	22,201	20,856	185,066
Information technology	56,583	11,514	18,949	87,046
Rent and building expenses	203,508	38,917	61,822	304,247
Professional development and travel	69,007	10,869	4,886	84,762
Depreciation	20,993	17,086	-	38,079
<b>Total expenses by function</b>	<b>\$ 28,231,624</b>	<b>\$ 634,890</b>	<b>\$ 747,755</b>	<b>\$ 29,614,269</b>

See notes to consolidated financial statements.

**CENTRAL CAROLINA COMMUNITY FOUNDATION  
ITS SUBSIDIARY AND SUPPORTING ORGANIZATION**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Decrease) Increase in net assets	\$ (19,800,834)	\$ 30,319,326
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	44,427	38,079
Accrued interest	96	(963)
Forgiveness income for Paycheck Protection Program loan	-	(340,800)
Other assets	(56,187)	(6,866)
Charitable remainder unitrusts	982,772	(2,203,525)
Interest in life insurance policies	79,842	(6,857)
Lead annuity trust	755,357	625,300
Accounts payable	(50,267)	47,093
Deferred liabilities	(11,327)	(8,673)
Life insurance payable	(58,789)	-
Funds held as agency endowments	(1,976,386)	4,324,742
Net realized and unrealized gains and losses on investments	54,099,653	(28,346,847)
Impairment loss on real estate	742,226	-
(Gain) on disposal of real estate	(2,056,265)	(795,272)
<b>Net cash provided by operating activities</b>	<u>32,694,318</u>	<u>3,644,737</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) of investments	(76,319,184)	(36,121,536)
Proceeds from sales of investments	37,999,532	34,463,393
Proceeds from sales of real estate	5,099,032	2,010,506
(Purchase) of office equipment & leasehold improvements	(21,328)	(19,280)
<b>Net cash (used in) provided by investing activities</b>	<u>(33,241,948)</u>	<u>333,083</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Payments) from notes payable	-	(433,333)
Proceeds from Paycheck Protection Program loan	-	340,800
Amount contributed for supporting organizations	(916,461)	745,484
<b>Net cash (used in) provided by financing activities</b>	<u>(916,461)</u>	<u>652,951</u>
<b>(Decrease) Increase in cash and cash equivalents</b>	<b>(1,464,091)</b>	<b>4,630,771</b>
Cash and Cash Equivalents		
Beginning	<u>15,536,374</u>	<u>10,905,603</u>
<b>Ending</b>	<u><u>\$ 14,072,283</u></u>	<u><u>\$ 15,536,374</u></u>

**Supplemental Disclosures of Non-cash Financing Activity**

During the fiscal year 2021, the New Morning Foundation met the requirements of the Paycheck Protection Program as stipulated by the Small Business Administration to have the full loan balance of \$340,800 fully forgiven.

# CENTRAL CAROLINA COMMUNITY FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Organization and General Information:**

Central Carolina Community Foundation (the "Foundation") was established in 1984 as a nonprofit corporation. The Foundation receives and administers gifts, grants, and bequests for charitable purposes generally in the areas of humanities, arts, education, the environment, health and social services. The Foundation's support is primarily in, and for the benefit of, the central area communities of South Carolina. The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### **Basis of Consolidation:**

The consolidated financial statements include the accounts of New Morning Foundation. New Morning Foundation is a supporting organization of Central Carolina Community Foundation. The supporting organization is consolidated with the financial statements of the Foundation in accordance with the Financial Accounting Standards Board (FASB)'s *Not-For-Profit* presentation and disclosure guidance, since the Foundation has control of, and economic interest in these entities. The Foundation has several wholly owned subsidiaries that were formed for the purpose of holding real estate gifts until they are sold. It is the policy of the Foundation to transfer all related cash received as a sale back to the Foundation. All material inter-organization transactions and balances have been eliminated in preparing the consolidated financial statements.

#### **Financial Statement Presentation:**

The accompanying financial statements have been prepared on the accrual basis of accounting and are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

#### **Interpretation of Relevant Law**

The Foundation's board of directors has determined that the Foundation is not subject to the net asset classification of funds requirements of ASC 958-205 because: (1) the Foundation's board retains complete variance power pursuant to its governing instruments and fund agreements over the spending purpose and amount (including principal) for substantially all assets owned by the Foundation, and (2) the Foundation's board has never earmarked or otherwise designated any portion of the Foundation's assets as a donor restricted endowment that is not subject to expenditure if circumstances warrant.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial Statement Presentation (Continued):

Accounting principles generally accepted in the United States of America and the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification provide that if the governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The Board of Trustees (the "Board") of the Foundation has the ability known as variance power; however, the Board would generally intend to exercise this authority only if the stated purpose of a contribution becomes no longer applicable and incapable of fulfillment. Accordingly, the Foundation's consolidated financial statements classify the majority of funds, including the corpus of certain donor advised funds, as net assets without donor restrictions, but segregate for internal management and record keeping the portion that is held as donor advised from the funds that are currently available for grants administration.

#### Classification of Net Assets

The Foundation generally does not accept contributions that are not wholly expendable by the institution on a current basis. The Foundation's governing documents and fund agreements give the Foundation's board variance power to modify donor instructions that are incapable of fulfillment or inconsistent with the charitable needs of the community. As a result of variance power, most contributions are classified as net assets without donor restrictions for financial statement purposes.

The Foundation's net assets with donor restrictions are comprised primarily of irrevocable charitable remainder trusts, charitable gift annuities, pooled income funds, and life insurance funds. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Expenditures that relate to the fulfillment of the temporary restriction are shown as a reduction in revenue with donor restrictions as net assets released from restrictions.

The Foundation's board and the boards of the associated supporting organizations have not taken action to declare any portion of the Foundation's assets as restricted endowment funds that are not subject to expenditure if circumstances warrant.

Unrealized and realized gains and losses, and dividends and interest from investing activities may be included in either of these net asset classifications depending on donor-imposed restrictions and the Foundation's interpretation of relevant state law.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Classification of Net Assets (Continued)

Consistent with the National Standards for U.S. Community Foundations, the Foundation classifies its net assets without donor restrictions (noting that all are subject to the variance power) as follows:

Designated: Funds in which the beneficiaries are specified by the grantors.

Donor advised: Funds that have at least three characteristics: (1) a donor or person appointed or designated by the donor has, or reasonably expects to have, advisory privileges with respect to the fund's distributions, (2) the fund is separately identified by reference to contributions of the donor(s), and (3) the fund is owned and controlled by the Foundation. A fund possessing these characteristics may be exempt from the donor advised fund classification if it grants to one single public charity or government unit or if the fund meets certain requirements applicable to scholarship funds.

Field-of-interest: Funds that are used for a specific charitable purpose.

Unrestricted: Funds in which the donor does not provide a restriction of use.

Board designated: Administrative, and other funds available for the Foundation's unrestricted use at the direction of the Board.

#### Cash and Cash Equivalents:

For purposes of reporting the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of cash held in checking and overnight investment accounts. The restricted cash relates to specific uses allowed only by release for time and purpose.

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

#### Investment Policy:

The Board has the ultimate responsibility for its investment funds and related investment returns. The Foundation's pooled funds are invested under an asset allocation policy that is expected to provide returns adequate to enable the Foundation to make grants and pay operating expenses. Under its current policy, the Foundation's pooled funds are invested in a manner intended to produce results that exceed certain relevant market indices over a specified time horizon.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investment Policy (Continued):

To satisfy its long-term rate of return objectives, the Foundation exercises due care to diversify pooled investment fund assets through its strategies to achieve the stated objectives for the Foundation in accordance with the asset allocation policy. Actual investment returns in any given year will fluctuate. Investment transactions are reported on a trade-date basis. Realized gains and losses of equity and debt securities are determined by specific identification. Realized gains and losses of mutual funds are determined by average cost basis of shares sold.

Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the consolidated statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. Investments are recorded at cost when purchased or at market value at date of gift. Interest in real estate limited liability companies is recorded at the lower of cost or market.

#### Spending Policy:

The Board sets an annual spending rate for certain funds included in the investment pool. These funds include the field of interest, designated, unrestricted, endowed donor advised funds, and Board designated fund classifications. The spending rate is based on a 20-quarter rolling average of applicable fund balances calculated as of March 31 of the preceding year.

#### Income Taxes:

The Foundation is organized as a South Carolina nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(iv), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Central Carolina Community Foundation Real Estate Holding, LLC is a disregarded entity reported on the Foundation's 990 each year. New Morning Foundation is exempt from federal income taxation under Section 501(c)(3) of the IRC and a public charity under Section 509(a)(3) of the IRC.

The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. Management has determined that the Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Functional Allocation of Expenses:**

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statements of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, which are allocated based on estimates of time and effort. The expenses that are allocated also include office expenses, information technology, occupancy, insurance, and other expenses, which are allocated based on estimates of usage and headcount.

#### **Recent Accounting Pronouncements:**

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* to improve generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. For the year ending June 30, 2022, the Foundation adopted ASU 2020-07 and has adjusted the presentation in these consolidated financial statements accordingly. This adjustment did not have an effect on total net assets or the change in net assets for 2022 and 2021.

#### **Upcoming Accounting Pronouncements:**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. In June 2020, the FASB issued ASU 2020-05 to allow for the deferral of the implementation date of ASU 2016-02 for one year for entities that have not yet issued their financial statements. The amendments in ASU 2020-05 will make the effective date for the Foundation to implement ASU 2016-02 with the start of the fiscal year beginning after December 15, 2021. The Foundation is assessing the new guidance and the possible impact it will have on its financial statements.

#### **Office Equipment and Depreciation:**

Office equipment has been valued at cost, except the equipment which has been donated from outside sources. This equipment is recorded at fair market value at the time of donation. It is the Foundation's policy to capitalize all fixed asset acquisitions that exceed \$1,000 in value. Depreciation of office equipment is computed on the straight-line basis over estimated useful lives of five to twelve years. Depreciation expense was \$44,427 and \$38,079 for the fiscal years ending June 30, 2022 and 2021, respectively.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Split-interest Agreements:**

The Foundation is a party to two types of split-interest agreements. It reports separately the assets and liabilities of its split-interest agreements in its consolidated statement of financial position, and it reports separately contribution revenue from split-interest agreements and the change in valuation of split-interest agreements in its consolidated statement of activities.

Charitable lead trusts are arrangements whereby a donor establishes a trust naming the Foundation as beneficiary. Under the agreement, the Foundation receives distributions from the trust until the termination of the agreement, at which time the remaining trust assets are paid to the donor or a beneficiary named by the donor. The distributions to the Foundation may be a specific dollar amount or a fixed percentage of the trust's fair market value, determined each year. The donor may or may not restrict the use of the assets that are distributed. The Foundation's portion has been valued using present value factors that are applied to the fair market value of the trusts at June 30, 2022 and 2021.

Charitable remainder trusts are split-interest agreements in which the Foundation receives its beneficial interest in the donated assets after the donor or another beneficiary receives distributions for a specified period. The donor establishes and funds the trust and names a beneficiary to receive distributions over the life of the split-interest agreement. The distributions to the beneficiary may be for a set dollar amount or for a stated percentage of the fair market value of the trust, determined annually. At the termination of the agreement, the remaining assets in the trust pass to the Foundation for its use. The Foundation may have general use of the assets, or the donor may place restriction on the assets.

#### **Life Insurance:**

Life insurance consists of life insurance policies purchased by the donor where the Foundation is named as owner and beneficiary of the policy. The assets contributed under these life insurance policies are carried at fair value approximated by the cash surrender value, net of any policy loans.

The life insurance policy cash surrender value is updated annually and changes in value are recorded as a change in cash surrender value of life insurance in the consolidated statements of activities.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Grants Payable and Commitments:**

Grants are recognized as expenses in the consolidated statement of activities and changes in net assets at the time recipients are entitled to such grants. Generally, this occurs at the earlier of the date the Board approves a specific grant or when the grantee is notified. Each supporting organization has a similar process, in that grants are approved by their respective Board of Directors. The Foundation records a grant payable in the consolidated statement of financial position for unconditional grants that have been approved, but not processed for payment as of the end of the fiscal year. The Foundation does approve grants that contain performance requirements that must be met before the grant will be paid. These types of grants are described as conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor and shall be recognized when the conditions on which they depend are substantially met, that is, when a conditional promise becomes unconditional. The Foundation has \$242,721 and \$560,570 of conditional grants payable at June 30, 2022 and 2021, respectively.

#### **Advertising Costs:**

Advertising costs are charged to expenses as incurred. Total advertising and promotional costs incurred are \$2,368,248 and \$2,862,573 for the fiscal years ending June 30, 2022 and 2021, respectively.

#### **Use of Estimates:**

The Foundation uses estimates and assumptions in preparing its financial statements in accordance with generally accepted accounting principles of the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The most significant estimates are the estimation of the fair value of financial instruments, depreciation, and the value of donated services and equipment. Actual results could vary from the estimates that were used.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue and Support Recognition:

Gifts, grants, and other income are recorded as revenue and support when received by The Foundation. Such revenue and support are recorded at fair value. The Foundation's policy is to include revenue and support in revenue and support without donor restrictions if the restriction is satisfied in the year the revenue and support is recognized. Revenue and support are available for use unless specifically restricted by the donor. Investment income is recognized when earned. Contributed services are recorded as contributions at their fair value if such services create or enhance nonfinancial assets, would have been purchased if not provided by contribution, or require specialized skills and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals are recorded as an expense when such services qualify for cost reimbursement from third-party providers. The Foundation had no significant contributed services recorded in 2022 and 2021.

### NOTE 2. INVESTMENTS

All investments are recorded at their fair market value and are summarized as follows for the year ended June 30:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Certificates of Deposit	\$ 8,711,772	\$ 8,711,772	\$ 2,820,552	\$ 2,820,552
Mutual Funds	159,912,084	146,735,978	125,817,612	168,051,641
Foreign Bonds	160,000	160,000	160,000	160,940
<b>Totals</b>	<b>\$ 168,783,856</b>	<b>\$ 155,607,750</b>	<b>\$ 128,798,164</b>	<b>\$ 171,033,133</b>

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. 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 risks in the near term would materially affect the amounts reported in the statements of financial position.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 3. FAIR VALUE MEASUREMENTS

The Foundation follows FASB's fair value measurements and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the FASB issued guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income, and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the assets or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique.

These inputs can be readily observable, market corroborated, or generally unobservable inputs. The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

*Cash, cash equivalents, money market funds and certificates of deposit* - The carrying amount approximates fair value because of the short-term maturity of these instruments.

*Mutual funds* - are carried at fair value based on quoted market prices at the regular trading session closing price on the exchange or market in which such securities are principally traded on the last business day of each period presented using the market approach.

*Foreign Bonds* - are carried at fair value based on pricing service providers that use broker dealer quotations, reported trades or valuation estimates from their internal pricing models.

*Interest in real estate limited liability companies* - The fair value is based upon the underlying investments of the Foundation's portion of partners' capital.

*Split-interest agreements and beneficial interest in perpetual trusts* - The fair value is based upon the underlying investments of the beneficial interest which are presented at fair value.

*Payables and other liabilities* - The carrying amount approximates fair value because of the short-term maturity of these instruments.

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Foundation is required to provide the following information according to the fair value hierarchy.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED):

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

*Level 2* – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for market transactions involving identical or similar assets or liabilities. For private funds, valuations may be estimated from the Foundation's portion of partners' capital.

*Level 3* – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

*NAV* – Valuations for assets and liabilities that are valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

If prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments. For private funds, valuations may be estimated from the Foundation's portion of partners' capital.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although The Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED):

The following table represents the Foundation's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2022:

	Level 1	Level 2	Level 3	Totals
<b>Assets</b>				
Investments				
Certificates of Deposit	\$ 8,711,772	\$ -	\$ -	\$ 8,711,772
Mutual Funds	146,735,978	-	-	146,735,978
Foreign Bonds	-	-	160,000	160,000
Interest in Real Estate Limited Liability Companies	-	-	1,248,524	1,248,524
Future Interest in Donor Contributions				
Interest in Charitable Remainder Unitrusts	-	-	13,513,315	13,513,315
Interest in Life Insurance Policies	-	-	76,748	76,748
Interest in Lead Annuity Trusts	-	-	179,701	179,701
<b>Totals</b>	<b>155,447,750</b>	<b>-</b>	<b>15,178,288</b>	<b>170,626,038</b>
<b>Liabilities</b>				
Due to Supporting Organizations	-	-	2,134,236	2,134,236
Funds Held as Agency Endowments	-	-	13,183,352	13,183,352
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,317,588</b>	<b>\$ 15,317,588</b>

The following table represents the Foundation's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2021:

	Level 1	Level 2	Level 3	Totals
<b>Assets</b>				
Investments				
Certificates of Deposit	\$ 2,820,552	\$ -	\$ -	\$ 2,820,552
Mutual Funds	168,051,641	-	-	168,051,641
Foreign Bonds	-	-	160,940	160,940
Interest in Real Estate Limited Liability Companies	-	-	5,033,516	5,033,516
Future Interest in Donor Contributions				
Interest in Charitable Remainder Unitrusts	-	-	14,496,087	14,496,087
Interest in Life Insurance Policies	-	-	156,590	156,590
Interest in Lead Annuity Trusts	-	-	935,058	935,058
<b>Totals</b>	<b>170,872,193</b>	<b>-</b>	<b>20,782,191</b>	<b>191,654,384</b>
<b>Liabilities</b>				
Life Insurance Payable to Other Charities	-	-	58,789	58,789
Due to Supporting Organizations	-	-	2,696,078	2,696,078
Funds Held as Agency Endowments	-	-	15,159,738	15,159,738
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,914,605</b>	<b>\$ 17,914,605</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED):

The following table summarizes the changes in fair values associated with Level 3 assets for the year ended June 30, 2022:

	Balance as of June 30, 2021	Change in Value Interest Agreements	Transfers	Realized/Unrealized Gains/(Losses)	Balance as of June 30, 2022
<b>Assets</b>					
Foreign Bonds	\$ 160,940	\$ -	\$ (940)	\$ -	\$ 160,000
Interest In Real Estate	5,033,516	-	(5,099,032)	1,314,040	1,248,524
Interest in Charitable Remainder Trust	14,496,087	(982,772)	-	-	13,513,315
Interest In Life Insurance Policies	156,590	(79,842)	-	-	76,748
Interest In Lead Annuity Policies	935,058	(755,357)	-	-	179,701
<b>Totals</b>	<b>\$ 20,782,191</b>	<b>\$ (1,817,971)</b>	<b>\$ (5,099,972)</b>	<b>\$ 1,314,040</b>	<b>\$ 15,178,288</b>
<b>Liabilities</b>					
Life Insurance Payable to Other Charities	\$ 58,789	\$ (58,789)	\$ -	\$ -	\$ -
Due to Supporting Organizations	2,696,078	-	-	(561,842)	2,134,236
Funds Held as Agency Endowments	15,159,738	-	-	(1,976,386)	13,183,352
<b>Totals</b>	<b>\$ 17,914,605</b>	<b>\$ (58,789)</b>	<b>\$ -</b>	<b>\$ (2,538,228)</b>	<b>\$ 15,317,588</b>

The following table summarizes the changes in fair values associated with Level 3 assets for the year ended June 30, 2021:

	Balance as of June 30, 2020	Change in Value Interest Agreements	Transfers	Realized/Unrealized Gains/(Losses)	Balance as of June 30, 2021
<b>Assets</b>					
Foreign Bonds	\$ 160,000	\$ -	\$ -	\$ 940	\$ 160,940
Interest In Real Estate	6,248,750	-	(2,010,506)	795,272	5,033,516
Interest in Charitable Remainder Trust	12,292,562	2,203,525	-	-	14,496,087
Interest In Life Insurance Policies	149,733	6,857	-	-	156,590
Interest In Lead Annuity Policies	1,560,358	(625,300)	-	-	935,058
<b>Totals</b>	<b>\$ 20,411,403</b>	<b>\$ 1,585,082</b>	<b>\$ (2,010,506)</b>	<b>\$ 796,212</b>	<b>\$ 20,782,191</b>
<b>Liabilities</b>					
Life Insurance Payable to Other Charities	\$ 58,789	\$ -	\$ -	\$ -	\$ 58,789
Due to Supporting Organizations	2,364,987	-	-	331,091	2,696,078
Funds Held as Agency Endowments	10,834,996	-	-	4,324,742	15,159,738
<b>Totals</b>	<b>\$ 13,258,772</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,655,833</b>	<b>\$ 17,914,605</b>

### NOTE 4. DONATED SERVICES AND IN-KIND CONTRIBUTIONS

A number of volunteers have donated an undetermined number of hours to the Foundation's program services during the year; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended June 30, 2022 and 2021.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Restricted net assets for time and passage consist of the following:

	<u>2022</u>	<u>2021</u>
Foundation's Share of Unitrusts, Pooled Income Funds, Annuity Trusts, and Life Insurance Policies	<u>\$ 22,838,383</u>	<u>\$ 24,517,608</u>

### NOTE 6. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions during the year ended June 30 as follows:

	<u>2022</u>	<u>2021</u>
New Morning Foundation's Release of Restriction	<u>\$ 10,948,894</u>	<u>\$ 12,366,963</u>

### NOTE 7. DEPOSITS

The Foundation maintains its bank accounts at five financial institutions. At June 30, 2022, the bank balances of these accounts were \$12,372,172 and the carrying amounts were \$14,072,283. There was \$8,363,938 in excess of federally insured limits. At June 30, 2021, the bank balances of these accounts were \$15,978,725 and the carrying amounts were \$15,536,374. There was \$9,771,243 in excess of federally insured limits. The Foundation is consciously investing over the FDIC limit at several institutions. In an effort to attain some return on short-term investments, the Foundation chose institutional risk over market risk, and is monitoring the financial stability of all the institutions very closely. The Foundation considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

The Foundation offers donors the option to start a fund that is placed in cash and cash equivalents, rather than in the investment pool. The cash and cash equivalents balance will increase as additional receipts for this fund type are collected.

### NOTE 8. RETIREMENT PLAN

For the years ended June 30, 2022 and 2021, the Foundation sponsored a 401(k) retirement plan for all eligible employees. The Foundation contributes 6%, which totaled \$61,737 and \$60,801 for the years ended June 30, 2022 and 2021, respectively.

New Morning Foundation (supporting organization) sponsors a 401(k) retirement plan for all eligible employees. The Foundation's expenses totaled \$119,051 and \$130,892 for the years ended June 30, 2022 and 2021, respectively. All employees who have completed at least one year of service and attained age 21 or older are eligible. The Foundation contributes 5% of employee gross wages to all eligible employees, and all contributions are vested immediately.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9. OPERATING LEASE

The Foundation leases office space in Columbia, South Carolina, under an operating lease that began on June 13, 2018, was amended on April 4, 2019, and will expire on January 31, 2029. The Foundation incurred \$162,882 and \$151,644 in rent expense in the years ending June 30, 2022 and 2021, respectively. The Foundation has two office equipment leases. The leases expire on November 3, 2022, and November 1, 2024. The Foundation incurred \$4,944 and \$4,944 in office equipment lease expense in the years ending June 30, 2022 and 2021, respectively.

Future minimum lease payments are as follows:

Year ending June 30,		
2023	\$	245,238
2024		268,727
2025		276,808
2026		285,962
2027		297,193
Thereafter		594,366
<b>Total</b>	<b>\$</b>	<b><u>1,968,294</u></b>

New Morning Foundation leases office space in Columbia, South Carolina, under an operating lease. The operating lease began on May 14, 2015, and the Foundation may terminate the lease at any time after thirty-six (36) full months following the commencement date. During 2018, the Foundation entered into an operating lease for additional office space beginning on March 1, 2018, with a five (5) year term. The Foundation incurred \$124,266 and \$138,705 in rent expense for the years ending June 30, 2022 and 2021, respectively. Additionally, the Foundation rents several parking spaces on a month-to-month basis.

Future minimum lease payments are as follows:

Year ending June 30,		
2023	\$	97,183
<b>Total</b>	<b>\$</b>	<b><u>97,183</u></b>

New Morning Foundation leases office equipment under operating leases. The lease expense was \$8,744 and \$7,006 for the years ending June 30, 2022 and 2021, respectively. There are no future minimum lease payments required for office equipment.

New Morning Foundation leases three vehicles under operating leases. The lease expense was \$10,532 and \$15,940 for the years ending June 30, 2022 and 2021, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9. OPERATING LEASE (CONTINUED)

Future minimum lease payments are as follows:

Year ending June 30,		\$	4,885
2023			
<b>Total</b>		\$	4,885

### NOTE 10. NOTE PAYABLE

The Foundation received a charitable gift of land on February 18, 2020, whereby the lender is the donor in a bargain sale transaction. The Foundation is indebted to the lender in the principal amount of \$1,100,000, evidenced by a promissory note dated March 15, 2020. Interest does not accrue on the loan and repayment is due in full on March 15, 2023. During the year ended 2021 \$100,000 of the principal of the note was forgiven by the donor. The first of three installment payments was made for \$333,333. The remaining payment of \$666,667 was delayed by the note holder.

### NOTE 11. SALE OF REAL ESTATE

The Foundation sold the remaining parcels of land totaling roughly 3.67 acres from a charitable gift in fiscal year 2021. Proceeds received from the sale were \$5,099,032. The gain on the sale of the land was \$2,056,266.

### NOTE 12. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2022	2021
Financial Assets:		
Cash and cash equivalents	\$ 14,072,283	\$ 15,536,374
Investments	170,626,038	191,654,384
Financial assets, at June 30	184,698,321	207,190,758
Less: those unavailable for general expenditure within on year, due to:		
Cash and investments held with donor restrictions	(22,838,383)	(24,186,518)
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	\$ 161,859,938	\$ 183,004,240

The Foundation is primarily funded by contributions from donors that can impose restrictions. Those restrictions require that resources be used in a certain manner or in a future period. Therefore, the Foundation must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditures within one year. As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. In addition, the Board designated funds could be utilized in the event of an unanticipated liquidity need.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### **NOTE 13. FORM 990 REPORTING**

The audited financial statements of the Foundation are reported in accordance with U.S. GAAP. The differences that exist between these accounting principles and the Internal Revenue Service Form 990 (990) reporting requirements create certain reconciling items between the components of net assets and net income reported in the consolidated financial statements and the Foundation's 990. These reconciling items may include unrealized gains and losses included in the Foundation's revenues that are excluded from revenues for 990 reporting purposes and investment manager fees that are netted against revenues in the Foundation's audited financial statements and are reported separately as expenses in the 990. Other reconciling items reflect agency or other adjustments. The audited financial statements of the Foundation are reported on a consolidated basis which includes its subsidiaries and its supporting organizations.

Separate 990s are prepared for each of the entities that collectively make up the Foundation.

### **NOTE 14. SUBSEQUENT EVENTS**

The Foundation evaluated subsequent events through March 6, 2024, the date these consolidated financial statements were available to be issued.