

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



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**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
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YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Community Foundation of Greater Flint
Flint, Michigan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Foundation of Greater Flint and Supporting Organizations (the Foundation), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, 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 the Foundation's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Matter

The 2021 financial statements of the Foundation were audited by other auditors whose report dated July 13, 2022, expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota

July 28, 2023

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS

Cash and Cash Equivalents	\$ 2,314,259
Investments	258,717,188
Pledges and Other Receivables	830,065
Prepaid Expenses	79,372
Property and Equipment, Net	11,592,542
Notes Receivable	<u>10,621,700</u>
Total Assets	<u><u>\$ 284,155,126</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 552,272
Grants Payable	89,848
Liability to Life Beneficiaries of Planned Gifts	72,318
Liabilities Under Agency Accounts	3,329,143
Notes Payable	<u>15,139,104</u>
Total Liabilities	<u>19,182,685</u>

NET ASSETS

Without Donor Restrictions	18,741,957
With Donor Restrictions	<u>246,230,484</u>
Total Net Assets	<u>264,972,441</u>
Total Liabilities and Net Assets	<u><u>\$ 284,155,126</u></u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS (LOSSES)			
Contributions	\$ 3,366,945	\$ 775,572	\$ 4,142,517
Grants	225,000	30,572,274	30,797,274
Total Contributions and Grants	3,591,945	31,347,846	34,939,791
Net Investment Activity	(2,803,758)	(32,101,827)	(34,905,585)
Management Fees	26,140	-	26,140
Change in Value of Liability to Life Beneficiaries	(5,575)	-	(5,575)
In-Kind Rental Income	-	293,999	293,999
Other Revenue	35	106,217	106,252
Net Assets Released from Restrictions	12,345,728	(12,345,728)	-
Total Revenues, Support, and Gains (Losses)	13,154,515	(12,699,493)	455,022
EXPENSES			
Program Services Expense:			
Grants	9,835,786	-	9,835,786
Grants Administration	793,554	-	793,554
Programs	2,346,380	-	2,346,380
Total Program Services Expense	12,975,720	-	12,975,720
Supporting Services Expense:			
Development	1,001,937	-	1,001,937
Management and General	2,038,494	-	2,038,494
Total Supporting Services Expense	3,040,431	-	3,040,431
Total Expenses	16,016,151	-	16,016,151
CHANGE IN NET ASSETS	(2,861,636)	(12,699,493)	(15,561,129)
Net Assets - Beginning of Year	21,603,593	258,953,769	280,557,362
AGENCY FUNDS ADJUSTMENT -			
Liabilities Under Agency Accounts Reclassified	-	(23,792)	(23,792)
NET ASSETS - END OF YEAR	<u>\$ 18,741,957</u>	<u>\$ 246,230,484</u>	<u>\$ 264,972,441</u>

See accompanying Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF GREATER FLINT AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Grants	Grants Administration	Programs	Total Program	Development	Management and General	Total
SALARIES AND RELATED EXPENSES							
Salaries and Wages	\$ -	\$ 551,127	\$ 375,711	\$ 926,838	\$ 613,204	\$ 511,423	\$ 2,051,465
Retirement Plan Contributions	-	29,904	15,105	45,009	27,257	24,370	96,636
Other Employee Benefits	-	61,273	43,266	104,539	63,626	53,992	222,157
Payroll Taxes	-	39,441	25,846	65,287	43,554	36,079	144,920
Total Salaries and Related Expenses	-	681,745	459,928	1,141,673	747,641	625,864	2,515,178
OTHER EXPENSES							
Grants	9,835,786	-	-	9,835,786	-	-	9,835,786
Professional Fees	-	18,000	1,523,144	1,541,144	22,155	135,072	1,698,371
Advertising and Promotion	-	-	21,000	21,000	65,186	-	86,186
Amortization	-	-	-	-	-	18,788	18,788
Conferences and Meetings	-	16,523	52,239	68,762	12,010	8,566	89,338
Depreciation	-	-	-	-	-	617,577	617,577
Donor Development	-	-	215,067	215,067	88,145	79	303,291
Dues and Subscriptions	-	2,244	-	2,244	10,231	78,576	91,051
Information Technology	-	52,704	3,846	56,550	34,739	90,800	182,089
Insurance	-	-	4,514	4,514	-	41,777	46,291
Interest	-	-	-	-	-	162,768	162,768
Miscellaneous	-	623	43,122	43,745	189	10,908	54,842
Occupancy	-	-	145	145	-	150,141	150,286
Office Expenses	-	1,079	1,317	2,396	8,106	80,159	90,661
Travel	-	20,636	22,058	42,694	13,535	17,419	73,648
Total Other Expenses	9,835,786	111,809	1,886,452	11,834,047	254,296	1,412,630	13,500,973
Total Expenses	<u>\$ 9,835,786</u>	<u>\$ 793,554</u>	<u>\$ 2,346,380</u>	<u>\$ 12,975,720</u>	<u>\$ 1,001,937</u>	<u>\$ 2,038,494</u>	<u>\$ 16,016,151</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (15,561,129)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities:	
Depreciation	617,577
Amortization of Deferred Financing Costs	18,788
Net Loss on Investment Transactions	38,346,343
Noncash Contributions of Investments	(75,696)
Contributions Restricted for Long-Term Purposes	(26,703,376)
Changes in Operating Assets and Liabilities:	
Pledges and Other Receivables	(44,214)
Prepaid Expenses	39,912
Grants Payable	(50,090)
Accounts Payable and Accrued Expenses	92,930
Liability to Life Beneficiaries of Planned Gifts	(17,136)
Liabilities Under Agency Accounts	(217,754)
Net Cash Used by Operating Activities	<u>(3,553,845)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(73,625,277)
Proceeds from Sale of Investments	49,956,007
Purchase of Property and Equipment	(5,097)
Net Cash Used by Investing Activities	<u>(23,674,367)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions Restricted for Long-Term Purposes	<u>26,703,376</u>
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NET CHANGE IN CASH AND CASH EQUIVALENTS

(524,836)

Cash and Cash Equivalents - Beginning of Year

2,839,095

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 2,314,259

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Foundation of Greater Flint (the Foundation) connects generosity to Genesee County needs by receiving gifts from individuals, foundations, and organizations, and distributing them to the community through grants to area nonprofit organizations. The majority of gifts are made to endowment funds which are preserved into perpetuity. The Foundation addresses immediate needs and facilitates the achievement of donors' shorter-term charitable intentions through non-endowed gifts. In all it does, the Foundation embraces its role as a community leader, and works toward an equitable Genesee County where everyone can thrive.

The Foundation for the Flint Cultural Center (FFCC), created in 2001, is a nonprofit supporting organization of the Foundation whose grants are dedicated to specific component organizations of the FFCC, namely Flint Cultural Center Corporation, Flint Institute of Arts, and Flint Institute of Music.

The Foundation for Flint (FFF), created in 2016, is a nonprofit supporting organization of the Foundation, established to assist in Flint's emergency and recovery from the water crisis. FFF raises and distributes resources to serve the long-term health and development needs of Flint children and their families, as well as the economic vitality of the City of Flint, through several charitable funds, including the Flint Child Health and Development Fund and the Moving Flint Forward Fund. The funds are non-endowed and are intended to be distributed over a twenty-year period from the establishment of the supporting organization.

Flint Kids Learn (FKL), created in 2017, is a nonprofit supporting organization of the Foundation, established for the purpose of acquiring, constructing, and leasing an early childhood education facility. As described in Notes 4 and 5, the Foundation carries a note receivable and notes payable in connection with this purpose.

The Foundation operates as a single entity not-for-profit corporation with authority vested in its board of trustees rather than as a holder of accumulated component funds. This operation requires the Foundation to comply with the Internal Revenue Service definitions of completed gifts and donor control, and to retain variance power over contributions. Variance power allows the Foundation to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the board of trustees, such restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or areas served.

The Foundation also operates within State of Michigan rules for donor intent and as further discussed in Note 10, the Uniform Prudent Management of Institutional Funds (UPMIFA).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Community Foundation of Greater Flint, Foundation for the Flint Cultural Center, Foundation for Flint, and Flint Kids Learn. Interorganizational transactions and balances have been eliminated in the consolidated financial statements. The organizations are referred to in the aggregate as the Foundation.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accompanying consolidated financial statements of the Foundation are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit with banks, and other highly liquid debt investments with an original maturity of three months or less. At December 31, 2022, \$854,291 of the Foundation's cash on deposit was insured by the Federal Deposit Insurance Corporation and \$1,517,022 was uninsured.

As of December 31, 2022, \$367,149 of cash and cash equivalents was restricted pursuant to the covenants of the loan agreements associated with FKL as described in Notes 4 and 5.

Investments

Investments in government and corporate debt and equity securities are stated at current quoted fair market value. Investments in partnerships, for which a quoted market value is not available, are stated at fair value as determined by the general partner. Investments in impact investments are loans to local nonprofit organizations and are recorded at the amount borrowed. Money market investment funds held under the custody of fund managers represent temporarily uninvested monies and are considered short-term investments. Investments in common and preferred stocks, bonds, U.S. Treasury bills, and mutual funds are carried at quoted fair market value whenever available. Realized gains and losses on sales of investments represent the difference between the net sales price and the cost of the securities sold as represented by the custodian. Unrealized gains or losses on investments represent the net change in unrealized appreciation between the balance at the beginning and the end of the year.

The Foundation has made investments in community through impact investments. These investments are designed to provide a positive return and represent the use of Foundation assets beyond traditional grantmaking. At December 31, 2022, the Foundation has three such investments within its debt portfolio, for a total of less than \$4 million, with various interest rates and maturity dates. Because these investments are made into market-based projects, the risk profile exceeds the risk of grants. The Foundation assesses the risks prior to making any investment, and as of December 31, 2022, believes that all investments will produce a positive return.

Diverse managers: As an explicit connection to its commitment to center equity in everything it does, the Foundation partners with its investment consultant to ensure that the portfolio includes allocations to diverse managers. As of December 31, 2022, 24.1% of the Foundation's Main Pool is managed by these managers.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

The Foundation invests in various securities which are exposed to risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Property and Equipment

Property and equipment consist of land and improvements, building, leasehold improvements, furniture, fixtures, and equipment. Property and equipment are recorded at cost at the date of acquisition or fair value at the date of donation and depreciated over their estimated useful lives on the straight-line method. Useful lives range from 3 to 40 years.

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the consolidated statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the consolidated statements of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Foundation is engaged in three transactions that fit the lease criteria. One, for lease space, is with a related party and therefore discussed further in Note 13. Another is a master lease between FFF and FKL as part of the New Market Tax Credit transaction described in Notes 4 and 5. The last is an in-kind lease arrangement as further described in Note 12.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liabilities Under Agency Accounts

The Foundation follows the accounting standards for transfers of assets to nonprofit organizations and charitable trusts that raise or hold contributions for others. The standards establish guidelines for transactions in which a foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. This standard specifically addresses contributions of funds from nonprofit organizations to the Foundation in order to benefit the nonprofit organization that made the contribution. When such a contribution is made, the Foundation has legal rights to the contributed dollars, retains variance power over them, and distributes them according to its spending policy. However, for accounting purposes such contributions are recorded and presented as a liability. The Foundation refers to such funds as agency accounts.

The Foundation maintains variance power and legal ownership of nonprofit endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with the statement, 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 nonprofit organizations.

Notes Payable and Deferred Financing Costs

The cost of obtaining financing related to acquiring, constructing, and leasing an early childhood education facility is recorded on the consolidated statement of financial position and amortization is recorded on a straight-line basis over the term of the loan or lease. Deferred financing costs are netted with the related debt on the statements of financial position.

Classification of Net Assets

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

Net Assets Without Donor Restrictions – These are defined as that portion of net assets that has no use or time restrictions. The bylaws of the Foundation include a variance provision giving the Board the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. Based on that provision, the Foundation classifies contributions, except as noted below, as without donor restriction for financial statement presentation.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets (Continued)

Net Assets with Donor Restrictions – These are defined as that portion of net assets that consist of a restriction on the specific use or the occurrence of a certain future event. Contributions unconditionally promised, which are scheduled to be received more than one year in the future, are recorded at fair value, classified as with donor restriction until the funds are received, and are discounted at a rate commensurate with the risks involved. Net assets consisting of the initial fair value of the gifts where the donor has specified that the assets donated are to be retained in an endowment, providing a permanent source of revenue for charitable purposes are classified as with donor restriction. The accumulation of assets, above historic gift value, in donor restricted endowment funds is classified as with donor restriction until appropriated for use based on the Foundation's spending policy. The Foundation also received contributions from charitable foundations for special projects for which purpose restrictions apply. Such contributions are recorded as with donor restriction until the purpose restrictions are met. When the purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported as net assets released from restrictions.

Grants and Contributions

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value as of the date of the gift. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is recorded as contribution revenue and recognized in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors. The allowance for pledges and grants for the year ended December 31, 2022 was \$1,756.

A portion of the Foundation's grants received are derived from cost-reimbursable federal grants, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. The Foundation received a cost reimbursable grant of \$404,403 that has not been recognized at December 31, 2022 because qualifying expenditures have not yet been incurred.

Total contributions for the year ended December 31, 2022 consist of 78% from one donor.

Contributed Services

During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation in various capacities.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Activity, Net

Investment income, net, which includes realized and unrealized gains/losses on investments, dividends, interest income, and investment expenses, is recorded in the period earned. Major categories of the Foundation's net investment activity are summarized as follows for the year ended December 31, 2022.

Net Investment Income	\$ 3,647,903
Net Unrealized Losses	(41,383,841)
Net Realized Gains	3,037,498
Investment Consulting Fees	(207,145)
Net Investment Activity	<u>\$ (34,905,585)</u>

Grants Expense

Grants are recognized as liabilities at the time management authorizes the expenditures, regardless of the year in which the grants are paid. Grants are currently authorized according to the Foundation's spending policy or when a donor restriction supersedes the spending policy, according to the terms of the gift instrument.

FFCC grants paid to specific component organizations are detailed below:

FFCC Grants Expenses:	
Flint Cultural Center Corporation	\$ 308,912
Flint Institute of Arts	199,626
Flint Institute of Music	421,108
Total FFCC Grants Expenses	<u>\$ 929,646</u>

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Functional Expenses

The Foundation allocates expenses on a functional basis to funding sources, programs, and support services. Expenses that can be identified with a specific funding source, program, and support service are assigned directly according to their natural expenditure classification. Certain expenses such as administration, accounting, and occupancy are allocated and charged to specific programs and/or funding sources where budgetary considerations permit. Although methods used are considered reasonable, methods could be used that would produce different results.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU 2016-02), *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Foundation adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The FASB has issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB issued this ASU to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets are defined within the ASU as including fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments do not change the recognition and measurement of nonfinancial assets. The Foundation's consolidated financial statements reflect the application of ASU 2020-07 guidance retrospectively.

Federal Income Taxes

The Foundation and its supporting organizations are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986. They have been classified as organizations which are not private foundations as defined in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the IRC.

The Foundation applies a more-likely-than-not recognition threshold for all tax uncertainties. Tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities are recognized.

Based on its evaluation, the Foundation has concluded there are no significant uncertain tax positions requiring recognition in its consolidated financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through July 28, 2023, the date the consolidated financial statements were available to be issued.

**COMMUNITY FOUNDATION OF GREATER FLINT
AND SUPPORTING ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 2 LIQUIDITY AND AVAILABILITY

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

Cash and Cash Equivalents	\$ 2,314,259
Less: Restricted Cash	<u>(367,149)</u>
Total Cash and Cash Equivalents	1,947,110
Investments	258,717,188
Less: Investments Unavailable for General Expenditure	
Due to Board Designations and Withdrawal	
Restrictions	<u>(125,621,810)</u>
Total Short-Term Investments	<u>133,095,378</u>
 Total	 <u><u>\$ 135,042,488</u></u>

As described in Note 10, a spending policy is created to maintain sustainable grantmaking over a long period of time. The board of trustees has approved an annual spending policy of 4% to 6%. The Foundation's rate in effect for 2022 was 4.5%. Although the Foundation does not intend to spend amounts in excess of the policy's range, additional amounts could be made available if necessary.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its grants, general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of daily requirements in short-term investments and money market funds. Other investments are excluded as they are not normally used for grantmaking, general expenditures, liabilities, or other obligations.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022:

Land and Improvements	\$ 1,139,836
Building	12,210,645
Furniture, Fixtures, and Equipment	1,463,097
Leasehold Improvements	403,039
Artwork	<u>7,313</u>
Total Property and Equipment	15,223,930
Less: Accumulated Depreciation	<u>3,631,388</u>
Property and Equipment, Net	<u><u>\$ 11,592,542</u></u>

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NOTE 4 NOTE RECEIVABLE

During 2017, FFF entered into a promissory note receivable with Flint Kids Investment Fund, LLC (FKIF) for the purpose of leveraging the New Market Tax Credit loans associated with the early childhood education facility, which is secured by substantially all assets related to the land and construction of the facility. On June 14, 2017, FKIF borrowed \$10,621,700 from FFF with interest at 1.05%, payable quarterly on the unpaid balance. Principal payments are deferred for seven years. Commencing in 2024, quarterly payments of accrued interest and principal sufficient to fully amortize the unpaid balance of the principal amount over the remaining term of the loan will be due with a final payment of the unpaid balance and accrued interest due in 2040. At December 31, 2022, the balance of the note receivable was \$10,621,700.

NOTE 5 NOTES PAYABLE

Notes payable consist of the following as of December 31, 2022:

During 2017, FKL entered into two promissory notes payable to IFF Capital 23, LLC (IFF 23) for the purpose of acquiring, constructing, and leasing an early childhood education facility. On June 14, 2017, FKL borrowed a total of \$6,930,000 from IFF 23 with interest at 1.05%, payable quarterly on the unpaid balance. Principal payments are deferred for seven years. Commencing in 2024, quarterly payments of accrued interest and principal sufficient to fully amortize the unpaid balance of the principal amount over the remaining term of the loan will be due, with a final payment of the unpaid balance and accrued interest due in 2047. Secured by a mortgage guaranteed by the Foundation. \$ 6,930,000

During 2017, FKL entered into a promissory note payable to New Markets Investment 106, LLC (NMI 106) for the purpose of acquiring, constructing, and leasing an early childhood education facility. On July 14, 2017, FKL borrowed \$5,452,250 from NMI 106 with interest at 1.05%, payable quarterly on the unpaid balance. Principal payments are deferred for seven years. Commencing in 2024, quarterly payments of accrued interest and principal sufficient to fully amortize the unpaid balance of the principal amount over the remaining term of the loan will be due, with a final payment of the unpaid balance and accrued interest due in 2047. Secured by a mortgage guaranteed by the Foundation. 5,452,250

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NOTE 5 NOTES PAYABLE (CONTINUED)

During 2017, FKL entered into two promissory notes payable to Consortium America 65, LLC (CA 65) for the purpose of acquiring, constructing, and leasing an early childhood education facility. On June 14, 2017, FKL borrowed a total of \$3,087,000 from CA 65 with interest at 1.05%, payable quarterly on the unpaid balance. Principal payments are deferred for seven years. Commencing in 2024, quarterly payments of accrued interest and principal sufficient to fully amortize the unpaid balance of the principal amount over the remaining term of the loan will be due, with a final payment of the unpaid balance and accrued interest due in 2047. Secured by a mortgage guaranteed by the Foundation.

	<u>\$ 3,087,000</u>
Total	15,469,250
Less: Deferred Financing Costs, Net of Accumulated Amortization	<u>(330,146)</u>
Notes Payable, Net	<u><u>\$ 15,139,104</u></u>

Future maturities of notes payable are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ -
2024	311,907
2025	600,305
2026	606,646
2027	613,055
Thereafter	13,337,337
Total	<u><u>\$ 15,469,250</u></u>

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NOTE 6 NET ASSETS WITHOUT DONOR RESTRICTION

Net assets without donor restriction, by fund type, are as follows as of December 31, 2022:

Endowed by Board Designation:	
Designated	\$ 2,035,804
Discretionary	3,104,957
Field of Interest	8,911,109
Scholarship	<u>321,412</u>
Total Endowed by Board Designation	14,373,282
Non-Endowed:	
Designated	1,101,884
Discretionary	(2,501,176)
Donor-Advised	4,966,754
Field of Interest	642,020
Scholarship	<u>159,193</u>
Total Non-Endowed	<u>4,368,675</u>
Total Net Assets Without Donor Restriction	<u><u>\$ 18,741,957</u></u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2022:

Endowed by Donor Restrictions:	
Designated	\$ 143,250,346
Discretionary	17,125,686
Donor Advised	3,701,656
Field of Interest	52,392,824
Scholarship	<u>12,016,699</u>
Total Endowed by Donor Restrictions	228,487,211
Non-Endowed:	
Designated	209,135
Discretionary	11,333,624
Scholarship	<u>6,200,514</u>
Total Non-Endowed	<u>17,743,273</u>
Total Net Assets With Donor Restriction	<u><u>\$ 246,230,484</u></u>

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YEAR ENDED DECEMBER 31, 2022**

NOTE 8 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions consist of the following for the year ended December 31, 2022:

Purpose or Period Restrictions Accomplished:	
Satisfaction of Program Restrictions	\$ 6,282,131
Appropriation from Donor Endowments and Subsequent Satisfaction of Any Related Donor Restrictions	<u>6,063,597</u>
Total	<u><u>\$ 12,345,728</u></u>

NOTE 9 RETIREMENT PLAN

The Foundation maintains a 401(k) plan which covers all full-time employees. Employer contributions to the 401(k) plan were \$96,636 in 2022.

NOTE 10 ENDOWMENTS

The Foundation's endowment funds include both donor-restricted and funds designated by the board of trustees to function as endowments. The Foundation's endowed funds are classified consistent with the classification of net assets policy in the summary of accounting policies.

Interpretation of Relevant Law

The board of trustees of the Foundation and the board of directors of the FFCC have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the designated endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restriction: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. These donor-restricted endowments remain classified as net assets with donor restrictions until amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate designated endowment funds:

- The duration and preservation of the fund,
- The purposes of the organization and the designated endowment fund,

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NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- The other resources of the organization, and
- The investment policies of the organization.

During the year ended December 31, 2022, the Foundation had the following endowment related activities:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets -			
Beginning of Year	\$ 17,460,516	\$ 239,256,692	\$ 256,717,208
Investment Return	(2,567,698)	(31,292,231)	(33,859,929)
Contributions	109,285	26,610,139	26,719,424
Appropriation for Distributions and Administrative Fees	(632,821)	(6,133,440)	(6,766,261)
Other Changes - Transfers from Other Funds	<u>4,000</u>	<u>46,051</u>	<u>50,051</u>
Endowment Net Assets - End of Year	<u><u>\$ 14,373,282</u></u>	<u><u>\$ 228,487,211</u></u>	<u><u>\$ 242,860,493</u></u>
Endowment Funds:			
Board-Designated Endowment Funds	\$ 14,373,282	\$ -	\$ 14,373,282
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	154,988,078	154,988,078
Accumulated Investment Gains	-	73,499,133	73,499,133
Total Endowment Funds	<u><u>\$ 14,373,282</u></u>	<u><u>\$ 228,487,211</u></u>	<u><u>\$ 242,860,493</u></u>

When unfavorable market fluctuations cause the fair value of certain donor-restricted endowments to be less than the historical cost (original gift/book value) of such funds, the fund is considered to be underwater, and this deficiency is recorded in net assets with donor restrictions. At December 31, 2022, there were no underwater funds.

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NOTE 10 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for its net assets with the goal of balancing the need to provide a predictable stream of funding to programs supported by those net assets and the need to maintain purchasing power. Under these policies, as approved by the board of trustees, the Foundation has four objectives: (1) preserve and grow the assets by focusing on total investment returns from a diversified portfolio of investments; (2) balance long-term growth with appropriate risk and liquidity; (3) achieve market returns using a combination of index and actively managed funds; and (4) comply with applicable laws, rules, and regulations.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation of domestic and international equities, fixed income funds, and alternative investments with performance benchmarks based on each asset class. The Foundation believes that a diversified portfolio requires the consideration of the diversity of its money managers. The Foundation is working with its investment consultant to increase the portion of its portfolio held by diverse managers.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy which, subject to the intent of a donor expressed in a gift instrument, calculates the amount to be spent from an endowment fund each year within a range of 4% to 6% of the average of the fair market value of the fund over the previous 20 trailing quarters ended September 30 of the immediate prior year. The percentage to be distributed within the range of 4% to 6% is reviewed and approved annually by the board of trustees. The rate approved for 2022 was 4.50%.

In establishing these policies, the Foundation considers the long-term return on its investment portfolio. By limiting its spending policy, the Foundation expects its net assets to grow over the long-term. This is consistent with the Foundation's objective to maintain the purchasing power of the investment portfolio and net assets, as well as to provide additional real growth through new gifts and investment return.

NOTE 11 FAIR VALUE MEASUREMENTS

U.S. GAAP define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability.

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NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The price of the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are: (i) independent; (ii) knowledgeable; (iii) able to transact; and (iv) willing to transact.

In determining fair value, the Foundation uses various valuation approaches. U.S. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset based on market data obtained from sources independent of the organization. Unobservable inputs are inputs that would reflect an organization's assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – This level consists of valuations based on quoted prices in active markets for identical assets that the organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – This level consists of valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – This level consists of valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. The Foundation uses prices and inputs that are current as of the measurement date obtained through multiple third-party custodians from independent pricing services.

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NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables exclude cash equivalents. Disclosures concerning the Foundation's assets and liabilities measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value	Total
ASSETS					
Investments:					
Money Market Funds	\$ 29,367,994	\$ -	\$ -	\$ -	\$ 29,367,994
Equity	42,889,466	-	-	-	42,889,466
Fixed Income	18,596,400	8,457,456	-	-	27,053,856
Alternative:					
Global/Select Strategies	-	-	-	61,930,295	61,930,295
Hedge Funds	-	-	-	14,385,836	14,385,836
Real Assets	-	-	-	5,989,069	5,989,069
Private Equity	-	-	-	9,687,624	9,687,624
Real Estate	-	-	-	1,734,248	1,734,248
Closely Held Stock	-	-	63,129,248	-	63,129,248
Split-Interest Agreements	-	-	103,586	-	103,586
	<u>\$ 90,853,860</u>	<u>\$ 8,457,456</u>	<u>\$ 63,232,834</u>	<u>\$ 93,727,072</u>	<u>256,271,222</u>
Investment in Partnership					189,578
Impact Investments					<u>2,256,388</u>
Total					<u>\$ 258,717,188</u>

Fixed income funds classified as Level 2 are valued using quoted market prices and other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider assumptions, including time value and yield curve, as well as other relevant economic measures.

Changes in the Foundation's Level 3 assets and liabilities measured at fair value on a recurring basis are as follows:

	Closely Held Stock*	Investments - Split-Interest Agreements	Liability to Life Beneficiaries of Planned Gifts	Funds Held on Behalf of Nonprofit Endowments
Balance - December 31, 2021	\$ 70,495,152	\$ 96,218	\$ (89,454)	\$ (3,523,105)
Net Purchases and Issuances/ Sales and Settlements	-	-	22,711	(362,700)
Total Realized Gains/Losses	-	-	-	(58,526)
Total Unrealized Gains/Losses	(7,365,904)	7,368	(5,575)	638,980
Other Income/Expense	-	-	-	(23,792)
Balance - December 31, 2022	<u>\$ 63,129,248</u>	<u>\$ 103,586</u>	<u>\$ (72,318)</u>	<u>\$ (3,329,143)</u>

* During the year ended December 31, 2022, approximately \$870,000 was received in dividends and paid out in grants.

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NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets and liabilities. As a result, the unrealized gains and losses for these assets and liabilities presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

Closely held stock categorized as Level 3 assets is valued based on an independent appraiser's report expressing an opinion on the fair market value of the stock.

Split-interest agreement assets categorized as Level 3 assets consist of life insurance policies of which the Foundation is the beneficiary and estimates the fair value of these split-interest agreement assets based upon the fair value of the assets provided by the insurance companies unless the facts and circumstances indicate that the fair value would be different from the present value of estimated future distributions.

Liabilities to life beneficiaries of planned gifts characterized as Level 3 liabilities consist primarily of charitable gift annuities and charitable remainder unitrust agreements. The Foundation estimates the fair value of these liabilities based upon the present value of the expected future cash flows using management's best estimates of key assumptions including life expectancies of annuitants, payment periods, and a discount rate commensurate with the current market and other risks involved.

Liabilities under agency accounts characterized as Level 3 liabilities consist of agency endowment funds established by nonprofit organizations with their own funds, for which the Foundation reports a liability for the market value. The Foundation estimates the fair value of these funds held on behalf of nonprofit endowments as the present value of the future payments expected to be made to the nonprofit organization.

The Foundation holds shares or interests in investment companies at year-end where the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company. At year-end, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

	Number of Investments	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative:					
Global/Select Strategies	15	\$ 61,930,295	\$ -	Monthly, Quarterly, Semi-Liquid,	9 - 180 Days
Hedge Funds	7	14,385,836	-	Quarterly, Semi-Liquid,	45 - 90 Days
Real Assets	5	5,989,069	316,470	Illiquid	None
Private Equity	13	9,687,624	6,835,115	Illiquid	None
Real Estate	3	1,734,248	1,629,626	Illiquid	None
Total		<u>\$ 93,727,072</u>	<u>\$ 8,781,211</u>		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The global/select strategies and hedge funds categories are held by several managers. The fair values of the investments in these categories have been estimated using the net asset value per share of the investments.

The real assets category invests in managers that pursue investments in oil and gas, mining, timberland, and farmland. The fair values of the investments in these categories have been estimated using the net asset value per share of the investments.

The private equity category includes funds that are invested in broadly diversified portfolios of private equity partnerships. The fair values of the investments in these categories have been estimated using the net asset value per share of the investments.

The investments in the real assets and private equity categories above may be redeemed from the funds' managers. Distributions from each fund will be received only as underlying investments of the funds are liquidated. It is estimated the underlying assets of the funds will be liquidated over the next three to 15 years.

The real estate category invests in managers that pursue investment opportunities in domestic and international diverse real estate assets. The fair values of the investments in these categories have been estimated using the net asset value per share of the investments.

Since there is no readily available market for investments in limited partnerships and limited liability companies, such investments are stated at fair value as estimated in an inactive market. These investments include securities of companies that may not be immediately liquid, such as private debt and private equity securities and real estate or other assets. The valuations of these investments are based upon values provided by the investment managers, based on guidelines established with those investment managers and in consideration of other factors related to the Institute's interest in these investments. The fair value of these investments is tested utilizing an outside source when possible.

The investment in partnership consists of an interest in an entity that owns the Foundation building in downtown Flint, which is valued based on capital contributions and net earnings of the partnership.

Impact investments are loans to local nonprofit organizations to fund specific place-based projects. The loans are to be repaid over the next 15 years and are recorded at the amount borrowed.

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NOTE 12 IN-KIND RENTAL INCOME

The Foundation records in-kind income on rental property at fair market value at the date of donation. In-kind rental income, included in revenue on the consolidated statement of activities and in the related expenses on the consolidated statement of functional expenses, consist of donated rent of \$293,999 for the year ended December 31, 2022.

The Foundation recognizes in-kind rental revenue and a corresponding grant expense in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the average price per square foot of rental listings in the Foundation's service area.

NOTE 13 RELATED PARTY TRANSACTIONS

The Foundation has a 50% stake in Community 1st, with two other parties each owning 25%. Communities First owns the building the Foundation occupies. The Foundation's investment in Community 1st is reflected as part of its investment portfolio, which is further described in Note 11.

Additionally, the Foundation leases its space in the building. For accounting purposes, the lease is considered immaterial to the financial statements taken as a whole.

COMMUNITY FOUNDATION OF GREATER FLINT AND SUPPORTING ORGANIZATIONS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	Community Foundation of Greater Flint	Foundation for Flint Cultural Center	Foundation for Flint	Flint Kids Learn	Eliminations	Consolidated
ASSETS						
Cash and Cash Equivalents	\$ 1,466,411	\$ -	\$ 390,522	\$ 457,326	\$ -	\$ 2,314,259
Investments	214,212,798	39,615,135	4,889,255	-	-	258,717,188
Pledges and Other Receivables	830,065	-	-	-	-	830,065
Prepaid Expenses	59,397	1,692	-	18,283	-	79,372
Property and Equipment, Net	130,314	-	-	11,462,228	-	11,592,542
Notes Receivable	-	-	10,621,700	-	-	10,621,700
	<u>-</u>	<u>-</u>	<u>10,621,700</u>	<u>-</u>	<u>-</u>	<u>10,621,700</u>
Total Assets	<u>\$ 216,698,985</u>	<u>\$ 39,616,827</u>	<u>\$ 15,901,477</u>	<u>\$ 11,937,837</u>	<u>\$ -</u>	<u>\$ 284,155,126</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts Payable and Accrued Expenses	\$ 518,780	\$ 5,839	\$ 7,826	\$ 19,827	\$ -	\$ 552,272
Grants Payable	89,848	-	-	-	-	89,848
Liability to Life Beneficiaries of Planned Gifts	72,318	-	-	-	-	72,318
Liabilities Under Agency Accounts	3,329,143	-	-	-	-	3,329,143
Notes Payable	-	-	-	15,139,104	-	15,139,104
Total Liabilities	<u>4,010,089</u>	<u>5,839</u>	<u>7,826</u>	<u>15,158,931</u>	<u>-</u>	<u>19,182,685</u>
NET ASSETS						
Without Donor Restrictions	21,839,932	-	123,119	(3,221,094)	-	18,741,957
With Donor Restrictions	<u>190,848,964</u>	<u>39,610,988</u>	<u>15,770,532</u>	<u>-</u>	<u>-</u>	<u>246,230,484</u>
Total Net Assets	<u>212,688,896</u>	<u>39,610,988</u>	<u>15,893,651</u>	<u>(3,221,094)</u>	<u>-</u>	<u>264,972,441</u>
Total Liabilities and Net Assets	<u>\$ 216,698,985</u>	<u>\$ 39,616,827</u>	<u>\$ 15,901,477</u>	<u>\$ 11,937,837</u>	<u>\$ -</u>	<u>\$ 284,155,126</u>

COMMUNITY FOUNDATION OF GREATER FLINT AND SUPPORTING ORGANIZATIONS
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	Community Foundation of Greater Flint	Foundation for Flint Cultural Center	Foundation for Flint	Flint Kids Learn	Eliminations	Consolidated
REVENUE, SUPPORT, AND GAINS (LOSSES)						
Contributions	\$ 4,081,233	\$ -	\$ 61,279	\$ 5	\$ -	\$ 4,142,517
Grants	22,797,274	8,000,000	-	-	-	30,797,274
Total Contributions and Grants	26,878,507	8,000,000	61,279	5	-	34,939,791
Net Investment Activity	(28,695,532)	(5,391,361)	(818,756)	64	-	(34,905,585)
Management Fees	78,685	-	-	-	(52,545)	26,140
Change in Value of Liability to Life						
Beneficiaries	(5,575)	-	-	-	-	(5,575)
In-Kind Rental Income	-	-	293,999	-	-	293,999
Other Revenue	35	-	106,217	155,000	(155,000)	106,252
Total Revenues, Support, and Gains (Losses)	(1,743,880)	2,608,639	(357,261)	155,069	(207,545)	455,022
EXPENSES						
Program Services Expense:						
Grants	7,159,391	929,646	1,746,749	-	-	9,835,786
Grants Administration	793,554	-	-	-	-	793,554
Programs	2,286,997	48,696	165,687	-	(155,000)	2,346,380
Total Program Services Expense	10,239,942	978,342	1,912,436	-	(155,000)	12,975,720
Supporting Services Expense:						
Development	985,602	-	16,335	-	-	1,001,937
Management and General	1,231,673	54,258	7,961	797,147	(52,545)	2,038,494
Total Supporting Services Expense	2,217,275	54,258	24,296	797,147	(52,545)	3,040,431
Total Expenses	12,457,217	1,032,600	1,936,732	797,147	(207,545)	16,016,151
CHANGE IN NET ASSETS	(14,201,097)	1,576,039	(2,293,993)	(642,078)	-	(15,561,129)
Net Assets - Beginning of Year	226,913,785	38,034,949	18,187,644	(2,579,016)	-	280,557,362
AGENCY FUNDS ADJUSTMENT -						
Liabilities Under Agency Accounts Reclassified	(23,792)	-	-	-	-	(23,792)
NET ASSETS - END OF YEAR	<u>\$ 212,688,896</u>	<u>\$ 39,610,988</u>	<u>\$ 15,893,651</u>	<u>\$ (3,221,094)</u>	<u>\$ -</u>	<u>\$ 264,972,441</u>



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