



# **Community Foundation of Greater Flint and Supporting Organizations**

**Combined Financial Statements**  
Years Ended December 31, 2020 and 2019

**Community Foundation of Greater Flint  
and Supporting Organizations**

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Combined Financial Statements  
Years Ended December 31, 2020 and 2019

# Community Foundation of Greater Flint and Supporting Organizations

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## **Independent Auditor's Report**

Community Foundation of Greater Flint  
and Supporting Organizations  
Flint, Michigan

### ***Opinion***

We have audited the accompanying combined financial statements of the Community Foundation of Greater Flint and Supporting Organizations (collectively, the Foundation), which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined 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 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 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 combined 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 combined 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 combined 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 and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

July 14, 2021

## **Combined Financial Statements**

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# Community Foundation of Greater Flint and Supporting Organizations

## Combined Statements of Financial Position

<i>December 31,</i>	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 2,741,978	\$ 2,129,963
Investments	249,948,283	219,579,824
Pledges and other receivables	1,023,584	1,046,154
Prepaid expenses	127,868	239,967
Property and equipment, net	12,829,193	13,296,466
Note receivable	10,621,700	10,621,700
<b>Total Assets</b>	<b>\$ 277,292,606</b>	<b>\$ 246,914,074</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 440,560	\$ 577,145
Grants payable	887,428	530,583
Liability to life beneficiaries of planned gifts	94,740	100,570
Funds held on behalf of nonprofit endowments	3,118,694	2,701,767
Notes payable	15,101,527	15,082,739
<b>Total Liabilities</b>	<b>19,642,949</b>	<b>18,992,804</b>
<b>Net Assets</b>		
Without donor restriction	19,086,967	17,207,192
With donor restriction	238,562,690	210,714,078
<b>Total Net Assets</b>	<b>257,649,657</b>	<b>227,921,270</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 277,292,606</b>	<b>\$ 246,914,074</b>

*See accompanying notes to combined financial statements.*

# Community Foundation of Greater Flint and Supporting Organizations

## Combined Statements of Activities and Changes in Net Assets

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>Revenues, Gains (Losses) and Other Support</b>						
Contributions	\$ 2,011,830	\$ 2,757,044	\$ 4,768,874	\$ 1,134,767	\$ 1,868,148	\$ 3,002,915
Grants	1,436,900	8,334,912	9,771,812	-	7,994,526	7,994,526
Net investment activity	2,295,543	30,386,896	32,682,439	2,190,650	23,899,208	26,089,858
Management fees	24,134	-	24,134	23,625	-	23,625
Change in value of liability to life beneficiaries	(16,400)	-	(16,400)	(23,783)	-	(23,783)
Other revenue (loss)	501	106,217	106,718	(1,552)	106,217	104,665
Net assets released from restrictions	13,736,457	(13,736,457)	-	10,810,229	(10,810,229)	-
<b>Total Revenues, Gains (Losses) and Other Support</b>	<b>19,488,965</b>	<b>27,848,612</b>	<b>47,337,577</b>	<b>14,133,936</b>	<b>23,057,870</b>	<b>37,191,806</b>
<b>Expenses</b>						
Program services:						
Grants	12,688,155	-	12,688,155	9,029,471	-	9,029,471
Programs and grants administration	2,114,691	-	2,114,691	1,669,570	-	1,669,570
<b>Total program services</b>	<b>14,802,846</b>	<b>-</b>	<b>14,802,846</b>	<b>10,699,041</b>	<b>-</b>	<b>10,699,041</b>
Support services:						
Development	752,458	-	752,458	806,478	-	806,478
Management and general	2,053,886	-	2,053,886	2,078,844	-	2,078,844
<b>Total support services</b>	<b>2,806,344</b>	<b>-</b>	<b>2,806,344</b>	<b>2,885,322</b>	<b>-</b>	<b>2,885,322</b>
<b>Total Expenses</b>	<b>17,609,190</b>	<b>-</b>	<b>17,609,190</b>	<b>13,584,363</b>	<b>-</b>	<b>13,584,363</b>
<b>Change in Net Assets</b>	<b>1,879,775</b>	<b>27,848,612</b>	<b>29,728,387</b>	<b>549,573</b>	<b>23,057,870</b>	<b>23,607,443</b>
<b>Net Assets, beginning of year</b>	<b>17,207,192</b>	<b>210,714,078</b>	<b>227,921,270</b>	<b>16,657,619</b>	<b>187,661,208</b>	<b>204,318,827</b>
<b>Agency Funds Adjustment</b>						
Funds held on behalf of nonprofit endowments reclassified	-	-	-	-	(5,000)	(5,000)
<b>Net Assets, end of year</b>	<b>\$ 19,086,967</b>	<b>\$ 238,562,690</b>	<b>\$ 257,649,657</b>	<b>\$ 17,207,192</b>	<b>\$ 210,714,078</b>	<b>\$ 227,921,270</b>

*See accompanying notes to combined financial statements.*



**Community Foundation of Greater Flint and Supporting Organizations**  
**Combined Statement of Functional Expenses**

	Year Ended December 31, 2020					Year Ended December 31, 2019				
	Program Services		Support Services			Program Services		Support Services		
	Grants	Programs and Grants Administration	Development	Management and General	Total	Grants	Programs and Grants Administration	Development	Management and General	Total
<b>Salaries and Related Expenses</b>										
Salaries and wages	\$ -	\$ 746,001	\$ 482,223	\$ 567,131	\$ 1,795,355	\$ -	\$ 518,620	\$ 434,242	\$ 564,711	\$ 1,517,573
Retirement plan contributions	-	23,408	15,953	26,507	65,868	-	20,225	16,515	19,986	56,726
Other employee benefits	-	70,085	48,563	59,612	178,260	-	55,069	51,648	62,679	169,396
Payroll taxes	-	53,239	33,739	40,087	127,065	-	41,504	32,997	38,330	112,831
<b>Total Salaries and Related Expenses</b>	-	892,733	580,478	693,337	2,166,548	-	635,418	535,402	685,706	1,856,526
<b>Other Expenses</b>										
Grants	12,688,155	-	-	-	12,688,155	9,029,471	-	-	-	9,029,471
Professional fees	-	941,860	17,765	147,513	1,107,138	-	813,250	36,335	207,484	1,057,069
Advertising and promotion	-	10,488	37,761	-	48,249	-	1,291	45,764	-	47,055
Amortization	-	-	-	18,788	18,788	-	-	-	18,788	18,788
Conferences and meetings	-	86,153	8,471	30,449	125,073	-	81,585	8,176	21,301	111,062
Depreciation	-	-	-	648,365	648,365	-	-	-	611,885	611,885
Donor development	-	56,927	58,412	-	115,339	-	22,706	90,023	48	112,777
Dues and subscriptions	-	1,666	11,870	46,339	59,875	-	3,980	5,938	43,479	53,397
Information technology	-	78,394	27,355	66,718	172,467	-	42,939	50,315	40,138	133,392
Insurance	-	4,514	-	33,686	38,200	-	4,514	-	33,554	38,068
Interest	-	-	-	162,768	162,768	-	-	-	162,768	162,768
Miscellaneous	-	5,632	529	9,585	15,746	-	3,508	5,025	7,101	15,634
Occupancy	-	488	-	146,560	147,048	-	-	-	156,307	156,307
Office expenses	-	16,461	5,919	49,293	71,673	-	11,386	17,408	48,276	77,070
Travel	-	19,375	3,898	485	23,758	-	48,993	12,092	42,009	103,094
<b>Total Other Expenses</b>	12,688,155	1,221,958	171,980	1,360,549	15,442,642	9,029,471	1,034,152	271,076	1,393,138	11,727,837
<b>Total Expenses</b>	\$ 12,688,155	\$ 2,114,691	\$ 752,458	\$ 2,053,886	\$ 17,609,190	\$ 9,029,471	\$ 1,669,570	\$ 806,478	\$ 2,078,844	\$ 13,584,363

*See accompanying notes to combined financial statements.*

# Community Foundation of Greater Flint and Supporting Organizations

## Combined Statements of Cash Flows

<i>Year ended December 31,</i>	<b>2020</b>	<b>2019</b>
<b>Operating Activities</b>		
Change in net assets	\$ 29,728,387	\$ 23,607,443
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	667,153	630,673
Bad debt	9,745	-
Net gain on investment transactions	(29,735,160)	(22,264,879)
Loss on disposal of fixed assets	-	1,553
Non-cash contributions of investments	(132,902)	(2,504,018)
Contributions restricted for long-term purposes	(7,264,148)	(7,387,987)
Changes in operating assets and liabilities:		
Pledges and other receivables	12,825	84,417
Prepaid expenses	(37,901)	(24,885)
Grants payable	356,845	(884,646)
Accounts payable and accrued expenses	(136,585)	254,265
Liability to life beneficiaries of planned gifts	(5,830)	2,178
Funds held on behalf of nonprofit endowments	416,927	325,512
<b>Cash Provided by (Used in) Operating Activities</b>	<b>(6,120,644)</b>	<b>(8,160,374)</b>
<b>Investing Activities</b>		
Purchase of investments	(51,826,834)	(23,979,301)
Proceeds from sale of investments	51,326,437	25,455,553
Purchase of property and equipment	(31,092)	(127,482)
<b>Cash Provided by (Used in) Investing Activities</b>	<b>(531,489)</b>	<b>1,348,770</b>
<b>Cash Flows From Financing Activities</b>		
Contributions restricted for long-term purposes	7,264,148	7,387,987
<b>Net Change in Cash and Cash Equivalents</b>	<b>612,015</b>	<b>576,383</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,129,963</b>	<b>1,553,580</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 2,741,978</b>	<b>\$ 2,129,963</b>

*See accompanying notes to combined financial statements.*

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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### 1. Nature of Business and Summary of Accounting Policies

The Community Foundation of Greater Flint (the Foundation) connects generosity to Genesee County needs by receiving gifts from individuals, foundations, and organizations, distributing them to the community through grants to area not-for-profit organizations. The majority of the gifts are endowment gifts 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 not-for-profit supporting organization of the Foundation whose grants are dedicated to specific component organizations of the FFCC.

The Foundation for Flint (FFF), created in 2016, is a not-for-profit 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.

Flint Kids Learn (FKL), created in 2017, is a not-for-profit 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 that purpose.

#### ***Combined Financial Statements***

The accompanying combined 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. Inter-organizational transactions and balances have been eliminated in the combined financial statements.

#### ***Basis of Accounting***

The accompanying combined 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, 2020 and 2019, respectively, \$881,436 and \$930,272 of the Foundation's cash on deposit was FDIC insured; \$1,860,542 and \$1,199,691 was uninsured.

As of December 31, 2020 and 2019, \$551,998 and \$644,124, respectively, of cash and cash equivalents was restricted pursuant to the covenants of the loan agreements.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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### ***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.

### ***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 combined 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.

### ***Funds Held on Behalf of Nonprofit Endowments***

The Foundation follows the accounting standards for transfers of assets to not-for-profit 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 statement specifically requires that if a not-for-profit organization establishes a fund at a foundation with its own funds and specifies itself as the beneficiary of that fund, a foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as nonprofit endowments, or agency funds.

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 not-for-profit organizations.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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### ***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 combined statements 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 combined 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:*** 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.

***Net Assets With Donor Restrictions:*** defined as that portion of net assets that consists 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.

### ***Contributions***

Contributions of cash and other assets are reported as revenue as they occur and are measured at fair value. Subsequent gains or losses on the sale and reinvestment of assets received are recognized as they occur. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

### ***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.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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### *Grants Revenue*

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.

### *Contributed Services*

During the years ended December 31, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the combined 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.

### *Use of Estimates*

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

### *Investment Income, net*

Investment income, net, which included 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 income are summarized as follows:

<i>Years ended December 31,</i>	<b>2020</b>	<b>2019</b>
Investment income:		
Net investment income, net of investment expenses	\$ 2,947,279	\$ 3,824,979
Net unrealized gains	24,234,433	17,976,648
Net realized gains	5,500,727	4,288,231
<b>Investment Income, net</b>	<b>\$ 32,682,439</b>	<b>\$ 26,089,858</b>

### *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 allocated 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 Combined Financial Statements

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### ***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 combined financial statements.

### ***Accounting Pronouncements Adopted***

#### ***Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made***

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU assists in the determination of the nature of the transaction which then governs the revenue and expense recognition methodology and timing of the transaction.

#### ***Fair Value Measurement***

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) - Disclosure Framework - changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 eliminates, adds and modifies certain disclosure requirements for fair value measurements. The Foundation adopted this guidance effective July 1, 2019. Based on the new pronouncement, certain changes were made to the ASC 820 *Fair Value* disclosure in Note 11.

#### ***Subsequent Event Reporting***

The Foundation's management has evaluated the period from January 1, 2021 through July 14, 2021, the date the combined financial statements were available for issuance, for subsequent events requiring recognition or disclosure in the combined financial statements. During the period, no material recognizable subsequent events were identified.

#### ***Reclassifications***

Certain amounts as reported in the 2019 financial statements have been reclassified to conform with the 2020 presentation.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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### 2. Liquidity and Availability

Financial assets available for grantmaking, general expenditures, liabilities, or other obligations, that is within one year of the statement of financial position date, are comprised the following:

<i>December 31,</i>	<b>2020</b>	<b>2019</b>
<b>Cash and Cash Equivalents</b>	<b>\$ 2,741,978</b>	<b>\$ 2,129,963</b>
Less restricted cash	(551,998)	(644,124)
<b>Total cash and cash equivalents</b>	<b>2,189,980</b>	<b>1,485,839</b>
<b>Short-Term Investments</b>	<b>249,948,283</b>	<b>219,579,824</b>
Less investments unavailable for general expenditure due to Board designation and withdrawal restrictions	(130,438,896)	(105,662,626)
<b>Total short-term investments</b>	<b>119,509,387</b>	<b>113,917,198</b>
<b>Total</b>	<b>\$ 121,699,367</b>	<b>\$ 115,403,037</b>

As described in Note 10, a spending policy is created to maintain sustainable grant-making over a long period of time. The Board of Trustees has approved an annual spending policy of 4.5% to 5.5%. 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.

### 3. Property and Equipment

Property and equipment consist of the following:

<i>December 31,</i>	<b>2020</b>	<b>2019</b>
Land and improvements	\$ 1,139,836	\$ 989,836
Building	12,210,645	12,210,645
Furniture, fixtures, and equipment	1,458,000	1,429,501
Leasehold improvements	393,497	393,497
Artwork	7,313	7,313
	<b>15,209,291</b>	<b>15,030,792</b>
Less accumulated depreciation	<b>2,380,098</b>	<b>1,734,326</b>
<b>Property and Equipment, net</b>	<b>\$ 12,829,193</b>	<b>\$ 13,296,466</b>

### 4. Note Receivable



# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

During 2017, the Foundation 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 the Foundation 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, 2020 and 2019, the balance of the note receivable was \$10,621,700.

### 5. Notes Payable

Notes payable consists of the following:

<i>December 31,</i>	2020	2019
During 2017, the Foundation 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, the Foundation 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.	\$ 6,930,000	\$ 6,930,000
During 2017, the Foundation 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 June 14, 2017, the Foundation 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.	5,452,250	5,452,250
During 2017, the Foundation 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, the Foundation 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.	3,087,000	3,087,000
	<b>15,469,250</b>	15,469,250
Less deferred financing costs, net of accumulated amortization	367,723	386,511
<b>Notes Payable, net</b>	<b>\$ 15,101,527</b>	<b>\$ 15,082,739</b>

Future principal payments on the debt are as follows:

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

*Year ending December 31,*

2021	\$	-
2022		-
2023		-
2024		311,907
2025		600,305
Thereafter		14,557,038
		\$ 15,469,250

### 6. Net Assets Without Donor Restriction

Net assets without donor restriction, by fund type, are as follows:

<i>December 31,</i>	2020	2019
<b>Endowed by Board Designation</b>		
Designated	\$ 2,083,839	\$ 1,356,332
Discretionary	3,438,752	3,054,167
Field of interest	9,693,971	8,689,401
Scholarship	365,056	334,520
<b>Total endowed by Board designation</b>	<b>15,581,618</b>	<b>13,434,420</b>
<b>Non-Endowed</b>		
Designated	1,614,965	1,342,752
Discretionary	(1,004,174)	(227,916)
Donor advised	1,328,185	1,510,552
Field of interest	1,383,061	974,079
Scholarship	183,312	173,305
<b>Total non-endowed</b>	<b>3,505,349</b>	<b>3,772,772</b>
<b>Total Net Assets Without Donor Restriction</b>	<b>\$ 19,086,967</b>	<b>\$ 17,207,192</b>

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# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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### 7. Net Assets With Donor Restriction

Net assets with donor restriction, by fund type, are as follows:

<i>December 31,</i>	<b>2020</b>	<b>2019</b>
<b>Endowed by Donor Restriction</b>		
Designated	\$ 143,394,994	\$ 122,999,391
Discretionary	19,379,313	17,335,393
Donor advised	4,556,097	3,714,078
Field of interest	36,882,005	31,685,853
Scholarship	12,513,377	10,949,320
<b>Total endowed by donor restriction</b>	<b>216,725,786</b>	<b>186,684,035</b>
<b>Non-Endowed</b>		
Designated	15,428	14,946
Discretionary	10,889,279	10,938,062
Donor advised	622	152
Field of interest	10,931,575	13,076,883
<b>Total non-endowed</b>	<b>21,836,904</b>	<b>24,030,043</b>
<b>Total Net Assets With Donor Restriction</b>	<b>\$ 238,562,690</b>	<b>\$ 210,714,078</b>

### 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 are as follow:

<i>Year Ended December 31,</i>	<b>2020</b>	<b>2019</b>
<b>Purpose or period restrictions accomplished:</b>		
Satisfaction of program restrictions	\$ 6,987,354	\$ 4,592,118
Expiration of time restrictions	250,800	251,960
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions	6,498,303	5,966,151
	<b>\$ 13,736,457</b>	<b>\$ 10,810,229</b>

### 9. Retirement Plan

The Foundation maintains a 401(k) plan which covers all full-time employees. Employer contributions to the 401(k) plan were \$65,868 and \$56,726 in 2020 and 2019, respectively.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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### 10. Designated 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:

1. The duration and preservation of the fund.
2. The purposes of the organization and the designated endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. The other resources of the organization.
7. The investment policies of the organization.
- 8.

Endowed net assets consisted of the following at December 31, 2020 and 2019:

Endowment Net Asset Classification for the Year Ended December 31, 2020			
	Without Donor Restriction	With Donor Restriction	Total
<b>Endowment Net Assets</b> , beginning of year	\$ 13,434,420	\$ 186,684,035	\$ 200,118,455
Investment return	2,154,887	29,595,582	31,750,469
Contributions	595,577	6,693,671	7,289,248
Appropriation for distributions and administrative fees	(607,609)	(6,293,944)	(6,901,553)
Other changes - transfers from other funds	4,343	46,442	50,785
<b>Endowment Net Assets</b> , end of year	\$ 15,581,618	\$ 216,725,786	\$ 232,307,404

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

### Changes in Endowment Net Assets for the Year Ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
<b>Endowment Funds</b>			
Board-designated endowment funds	\$ 15,581,618	\$ -	\$ 15,581,618
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	123,614,520	123,614,520
Accumulated investment gains	-	93,111,266	93,111,266
<b>Total Endowment Funds</b>	<b>\$ 15,581,618</b>	<b>\$ 216,725,786</b>	<b>\$ 232,307,404</b>

### *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 4.5% to 5.5% of the average of the fair market value of the fund over the previous twenty (20) trailing quarters ending September 30 of the immediate prior year. The percentage to be distributed within the range of 4.5% to 5.5% is reviewed and approved annually by the Board of Trustees. The rate approved for 2020 and 2019 was 4.75%.

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

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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the investment portfolio and net assets, as well as to provide additional real growth through new gifts and investment return.

### 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.

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 who 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:* 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:* 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:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

There have been no changes in methodologies during 2020 and 2019.

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.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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:

<i>December 31, 2020</i>	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value	Total
<b>Assets</b>					
Investments:					
Money market funds	\$ 15,574,665	\$ -	\$ -	\$ -	\$ 15,574,665
Equity - mutual funds - domestic	33,458,482	4,220,688	-	-	37,679,170
Equity - mutual funds - foreign	9,937,108	26,552,276	-	-	36,489,384
Fixed income - corporate bond funds	-	12,139,462	-	-	12,139,462
Fixed income - government bond funds	-	11,692,553	-	-	11,692,553
Fixed income - foreign	-	5,590,955	-	-	5,590,955
Hybrid mutual funds	291,451	-	-	-	291,451
Alternative:					
Long/short credit hedge fund-of-funds	-	-	-	5,094,658	5,094,658
Long/short equity hedge fund-of-funds	-	-	-	43,042,852	43,042,852
Multi-strategy hedge fund-of-funds	-	-	-	157,392	157,392
Natural resources fund-of-funds	-	-	-	4,065,592	4,065,592
Private equity fund-of-funds	-	-	-	7,085,883	7,085,883
Real estate fund-of-funds	-	-	-	1,298,781	1,298,781
Real estate funds	51,747	-	189,214	-	240,961
Closely held stock	-	-	68,019,952	-	68,019,952
Impact investments	-	-	1,392,254	-	1,392,254
Split-interest agreements	-	-	92,318	-	92,318
<b>Total Assets</b>	<b>\$ 59,313,453</b>	<b>\$ 60,195,934</b>	<b>\$ 69,693,738</b>	<b>\$ 60,745,158</b>	<b>\$ 249,948,283</b>
<b>Liabilities</b>					
Liability to life beneficiaries of planned gifts	\$ -	\$ -	\$ 94,740	\$ -	\$ 94,740
Funds held on behalf of nonprofit endowments	-	-	3,118,694	-	3,118,694
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,213,434</b>	<b>\$ -</b>	<b>\$ 3,213,434</b>

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# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

<i>December 31, 2019</i>	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value	Total
<b>Assets</b>					
Investments:					
Money market funds	\$ 11,718,974	\$ -	\$ -	\$ -	\$ 11,718,974
Equity - mutual funds - domestic	32,011,046	5,837,575	-	-	37,848,621
Equity - mutual funds - foreign	19,569,222	16,507,174	-	-	36,076,396
Fixed income - corporate bond funds	-	12,429,061	-	-	12,429,061
Fixed income - government bond funds	-	9,307,529	-	-	9,307,529
Fixed income - foreign	-	6,204,802	-	-	6,204,802
Hybrid mutual funds	264,510	-	-	-	264,510
Alternative:					
Long/short credit hedge fund-of-funds	-	-	-	3,449,785	3,449,785
Long/short equity hedge fund-of-funds	-	-	-	29,124,966	29,124,966
Multi-strategy hedge fund-of-funds	-	-	-	196,996	196,996
Absolute return hedge fund-of-funds	-	-	-	89,898	89,898
Natural resources fund-of-funds	-	-	-	4,861,555	4,861,555
Private equity fund-of-funds	-	-	-	6,606,074	6,606,074
Real estate fund-of-funds	-	-	-	1,342,938	1,342,938
Real estate funds	67,305	-	184,248	-	251,553
Closely held stock	-	-	59,317,440	-	59,317,440
Impact investments	-	-	400,000	-	400,000
Split-interest agreements	-	-	88,726	-	88,726
<b>Total Assets</b>	<b>\$ 63,631,057</b>	<b>\$ 50,286,141</b>	<b>\$ 59,990,414</b>	<b>\$ 45,672,212</b>	<b>\$ 219,579,824</b>
<b>Liabilities</b>					
Liability to life beneficiaries of planned gifts	\$ -	\$ -	\$ 100,570	\$ -	\$ 100,570
Funds held on behalf of nonprofit endowments	-	-	2,701,767	-	2,701,767
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,802,337</b>	<b>\$ -</b>	<b>\$ 2,802,337</b>

Corporate bonds, governmental bonds, and foreign equities and 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:

<i>Year ended December 31, 2020</i>	Fair Value at January 1, 2020	Net Purchases and Issuances/ Sales and Settlements	Total Realized Gains (Losses)	Total Unrealized Gains (Losses)	Other Income (Expense)	Fair Value at December 31, 2020
Investments - alternative	\$ 59,901,688	\$ 997,220	\$ -	\$ 8,702,512	\$ -	\$ 69,601,420
Investments - split interest agreements	88,726	-	-	3,592	-	92,318
Liability to life beneficiaries of planned gifts	(100,570)	22,230	-	(16,400)	-	(94,740)
Funds held on behalf of nonprofit endowments	(2,701,767)	(30,564)	(105,811)	(280,552)	-	(3,118,694)



# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

<i>Year ended December 31, 2019</i>	Fair Value at January 1, 2019	Net Purchases and Issuances/ Sales and Settlements	Total Realized Gains (Losses)	Total Unrealized Gains (Losses)	Other Income (Expense)	Fair Value at December 31, 2019
Investments - alternative	\$ 55,217,092	\$ 414,262	\$ -	\$ 4,270,334	\$ -	\$ 59,901,688
Investments - split interest agreements	88,359	-	-	367	-	88,726
Liability to life beneficiaries of planned gifts	(98,392)	21,605	-	(23,783)	-	(100,570)
Funds held on behalf of nonprofit endowments	(2,371,255)	3,347	(81,873)	(246,986)	(5,000)	(2,701,767)

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.

Investments categorized as Level 3 assets primarily consist of real estate funds, closely held stock and impact investments. Real estate investment consists of a partnership 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. Closely held stock is valued based on an independent appraiser's report expressing an opinion on the fair market value of the stock. Impact investments are loans to a local nonprofit organization to fund specific place-based projects. The loans are to be repaid over the next 15 years and are recorded at the amount borrowed.

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 on 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.

Funds held on behalf of nonprofit endowments characterized as Level 3 liabilities consist of agency endowment funds established by not-for-profit organizations with their own funds for which the Foundation reports a liability for the market value. The Foundation estimates the fair value of these funds held on behalf of nonprofit endowments as the present value of the future payments expected to be made to the not-for-profit organization.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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:

<i>December 31, 2020</i>	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Alternative				
Long/short credit hedge fund-of-funds	\$ 5,094,658	\$ -	Quarterly; Illiquid	65 days; N/A
Long/short equity hedge fund-of-funds	43,042,852	-	Monthly; Quarterly; Semi-liquid; Illiquid	10 - 180 days; N/A
Multi-strategy hedge fund-of-funds	157,392	-	Semi-liquid	90 days
Natural resources fund-of-funds	4,065,592	-	Monthly; Illiquid	5 days; N/A
Private equity funds	7,085,883	3,867,005	Illiquid	N/A
Real estate fund-of-funds	1,298,781	-	Illiquid	N/A
<b>Total</b>	<b>\$ 60,745,158</b>	<b>\$ 3,867,005</b>		
<i>December 31, 2019</i>	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Alternative				
Long/short credit hedge fund-of-funds	\$ 3,449,785	\$ -	Quarterly; Illiquid	65 days; N/A
Long/short equity hedge fund-of-funds	29,124,966	-	Monthly; Quarterly; Semi-liquid; Illiquid	10 - 180 days; N/A
Multi-strategy hedge fund-of-funds	196,996	-	Semi-liquid	90 days
Absolute return hedge fund-of-funds	89,898	-	Semi-liquid	95 days
Natural resources fund-of-funds	4,861,555	1,721,291	Monthly; Illiquid	5 days; N/A
Private equity funds	6,606,074	3,303,551	Illiquid	N/A
Real estate fund-of-funds	1,342,938	1,384,188	Illiquid	N/A
<b>Total</b>	<b>\$ 45,672,212</b>	<b>\$ 6,409,030</b>		

The long/short credit, long/short equity, and multi-strategy hedge fund-of-funds 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 absolute return hedge fund-of-funds were held by managers whose investment objective is to focus largely on illiquid portfolio funds that will offer the potential for higher long-term returns than more liquid funds. The fair values of the investments in these categories have been estimated using the net asset value per share of the investments. These assets were liquidated in full in 2020.

The natural resources fund-of-funds 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 fund-of-funds 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 natural resources 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 3 to 15 years.

# Community Foundation of Greater Flint and Supporting Organizations

## Notes to Combined Financial Statements

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The real estate fund-of-funds 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 on 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.

### **12. COVID-19 and CARES Act**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

In addition, on March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CARES Act includes, among other things, the Paycheck Protection Program (PPP) for loans through the Small Business Administration (SBA).

The Foundation has received funds under the PPP in the amount of \$311,900. On May 13, 2020, the Department of the Treasury established a safe harbor to establish that loans for less than \$2,000,000 will be deemed to have been made in good faith, therefore replacing the more burdensome certification process that had accompanied the program originally. The Foundation applied for these PPP funds with the expectation of meeting the eligibility criteria for forgiveness. As such, they have elected to account for these PPP funds in accordance with the FASB ASC 958-605 as a grant. This amount is classified as grant revenue and is shown on the face of the combined statements of activities and changes in net assets.

## Supplementary Information

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## Independent Auditor's Report on Supplementary Information

Community Foundation of Greater Flint  
and Supporting Organizations  
Flint, Michigan

Our audits of the combined financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*BDO USA, LLP*

July 14, 2021

# Community Foundation of Greater Flint and Supporting Organizations

## Combining Statements of Financial Position December 31, 2020 (With Comparative Totals for 2019)

<i>December 31, 2020</i>	Community Foundation of Greater Flint	Foundation for Flint Cultural Center	Foundation for Flint	Flint Kids Learn	Eliminating Entries	2020 Combined Total	2019 Combined Total
<b>Assets</b>							
Cash and cash equivalents	\$ 1,717,905	\$ -	\$ 427,125	\$ 596,948	\$ -	\$ 2,741,978	\$ 2,129,963
Investments	209,754,877	30,838,907	9,354,499	-	-	249,948,283	219,579,824
Pledges and other receivables	1,025,907	-	-	-	(2,323)	1,023,584	1,046,154
Prepaid expenses	109,411	1,692	-	16,765	-	127,868	239,967
Property and equipment - net	249,143	-	-	12,580,050	-	12,829,193	13,296,466
Note receivable	-	-	10,621,700	-	-	10,621,700	10,621,700
<b>Total Assets</b>	<b>\$ 212,857,243</b>	<b>\$ 30,840,599</b>	<b>\$ 20,403,324</b>	<b>\$ 13,193,763</b>	<b>\$ (2,323)</b>	<b>\$ 277,292,606</b>	<b>\$ 246,914,074</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ 418,627	\$ 2,728	\$ 3,399	\$ 18,129	\$ (2,323)	\$ 440,560	\$ 577,145
Grants payable	740,428	-	147,000	-	-	887,428	530,583
Liability to life beneficiaries of planned gifts	94,740	-	-	-	-	94,740	100,570
Funds held on behalf of nonprofit endowments	3,118,694	-	-	-	-	3,118,694	2,701,767
Notes payable	-	-	-	15,101,527	-	15,101,527	15,082,739
<b>Total Liabilities</b>	<b>4,372,489</b>	<b>2,728</b>	<b>150,399</b>	<b>15,119,656</b>	<b>(2,323)</b>	<b>19,642,949</b>	<b>18,992,804</b>
<b>Net Assets (Deficit)</b>							
Without donor restriction	20,867,321	-	145,539	(1,925,893)	-	19,086,967	17,207,192
With donor restriction	187,617,433	30,837,871	20,107,386	-	-	238,562,690	210,714,078
<b>Total Net Assets (Deficit)</b>	<b>208,484,754</b>	<b>30,837,871</b>	<b>20,252,925</b>	<b>(1,925,893)</b>	<b>-</b>	<b>257,649,657</b>	<b>227,921,270</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 212,857,243</b>	<b>\$ 30,840,599</b>	<b>\$ 20,403,324</b>	<b>\$ 13,193,763</b>	<b>\$ (2,323)</b>	<b>\$ 277,292,606</b>	<b>\$ 246,914,074</b>

*See accompanying independent auditor's report on supplementary information.*

# Community Foundation of Greater Flint and Supporting Organizations

## Combining Statements of Activities and Changes in Net Assets Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Community Foundation of Greater Flint	Foundation for Flint Cultural Center	Foundation for Flint	Flint Kids Learn	Eliminating Entries	2020 Combined Total	2019 Combined Total
<b>Revenues, Gains (Losses) and Other Support</b>							
Contributions	\$ 4,622,337	\$ -	\$ 146,352	\$ 185	\$ -	\$ 4,768,874	\$ 3,002,915
Grants	5,771,812	4,000,000	-	-	-	9,771,812	7,994,526
Net investment activity	28,239,288	3,655,608	787,201	342	-	32,682,439	26,089,858
Management fees	372,074	-	-	-	(347,940)	24,134	23,625
Change in value of liability to life beneficiaries	(16,400)	-	-	-	-	(16,400)	(23,783)
Other revenue (loss)	500	-	106,218	155,000	(155,000)	106,718	104,665
<b>Total Revenues, Gains (Losses) and Other Support</b>	<b>38,989,611</b>	<b>7,655,608</b>	<b>1,039,771</b>	<b>155,527</b>	<b>(502,940)</b>	<b>47,337,577</b>	<b>37,191,806</b>
<b>Expenses</b>							
Program services:							
Grants	9,909,022	914,143	1,864,990	-	-	12,688,155	9,029,471
Programs and grants administration	2,000,908	76,846	191,937	-	(155,000)	2,114,691	1,669,570
<b>Total program services</b>	<b>11,909,930</b>	<b>990,989</b>	<b>2,056,927</b>	<b>-</b>	<b>(155,000)</b>	<b>14,802,846</b>	<b>10,699,041</b>
Support services:							
Development	744,329	-	8,129	-	-	752,458	806,478
Management and general	1,209,398	49,361	309,639	833,428	(347,940)	2,053,886	2,078,844
<b>Total support services</b>	<b>1,953,727</b>	<b>49,361</b>	<b>317,768</b>	<b>833,428</b>	<b>(347,940)</b>	<b>2,806,344</b>	<b>2,885,322</b>
<b>Total Expenses</b>	<b>13,863,657</b>	<b>1,040,350</b>	<b>2,374,695</b>	<b>833,428</b>	<b>(502,940)</b>	<b>17,609,190</b>	<b>13,584,363</b>
<b>Change in Net Assets</b>	<b>25,125,954</b>	<b>6,615,258</b>	<b>(1,334,924)</b>	<b>(677,901)</b>	<b>-</b>	<b>29,728,387</b>	<b>23,607,443</b>
<b>Net Assets (Deficit), beginning of year</b>	<b>183,358,800</b>	<b>24,222,613</b>	<b>21,587,849</b>	<b>(1,247,992)</b>	<b>-</b>	<b>227,921,270</b>	<b>204,318,827</b>
<b>Agency Funds Adjustment</b>							
Funds held on behalf of nonprofit endowments reclassified	-	-	-	-	-	-	(5,000)
<b>Net Assets (Deficit), end of year</b>	<b>\$ 208,484,754</b>	<b>\$ 30,837,871</b>	<b>\$ 20,252,925</b>	<b>\$ (1,925,893)</b>	<b>\$ -</b>	<b>\$ 257,649,657</b>	<b>\$ 227,921,270</b>

*See accompanying independent auditor's report on supplementary information.*