

Audited Financial Statements

Community Foundation
of Greater Rochester

*Years Ended December 31, 2021 and 2020
with Report of Independent Auditors*

Community Foundation of Greater Rochester

Audited Financial Statements

Years Ended December 31, 2021 and 2020

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Report of Independent Auditors

To the Board of Trustees
of Community Foundation of Greater Rochester
Rochester, Michigan

Opinion

We have audited the accompanying financial statements of the Community Foundation of Greater Rochester (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of Greater Rochester as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Foundation of Greater Rochester's ability to continue as a going concern within one year after the date that the 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 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Community Foundation of Greater Rochester's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Foundation of Greater Rochester'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.

Andrews Sloop & Pavlik PLC

Bloomfield Hills, Michigan
July 19, 2022

Community Foundation of Greater Rochester

Statements of Financial Position

	December 31	
	2021	2020
Assets		
Cash and cash equivalents	\$ 2,870,377	\$ 3,487,279
Investments	11,158,516	9,829,596
Prepaid expenses	7,433	10,287
Total assets	<u>\$ 14,036,326</u>	<u>\$ 13,327,162</u>
Net assets		
With donor restrictions	899,107	1,023,515
Without donor restrictions	13,137,219	12,303,647
Total net assets	<u>\$ 14,036,326</u>	<u>\$ 13,327,162</u>

Community Foundation of Greater Rochester

Statement of Activities

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and support			
Contributions	\$ 1,354,370	\$ 800,000	\$ 2,154,370
Investment income, net	231,206	-	231,206
Realized and unrealized gain on investments	1,075,425	-	1,075,425
Net assets released from restriction	924,408	(924,408)	-
Total revenue, gains, and support	<u>3,585,409</u>	<u>(124,408)</u>	<u>3,461,001</u>
Grants and expenses			
Program grants and services	2,602,854	-	2,602,854
Management and general	118,373	-	118,373
Fundraising	30,610	-	30,610
Total grants and expenses	<u>2,751,837</u>	<u>-</u>	<u>2,751,837</u>
Change in net assets	833,572	(124,408)	709,164
Net assets as of beginning of year	12,303,647	1,023,515	13,327,162
Net assets as of end of year	<u>\$ 13,137,219</u>	<u>\$ 899,107</u>	<u>\$ 14,036,326</u>

See accompanying notes.

Community Foundation of Greater Rochester

Statement of Activities

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and support			
Contributions	\$ 1,403,904	\$ 207,000	\$ 1,610,904
Investment income, net	194,776	-	194,776
Realized and unrealized gain on investments	1,081,892	-	1,081,892
Net assets released from restriction	1,034,175	(1,034,175)	-
Total revenue, gains, and support	<u>3,714,747</u>	<u>(827,175)</u>	<u>2,887,572</u>
Grants and expenses			
Program grants and services	2,100,724	-	2,100,724
Management and general	106,070	-	106,070
Fundraising	27,426	-	27,426
Total grants and expenses	<u>2,234,220</u>	<u>-</u>	<u>2,234,220</u>
Change in net assets	1,480,527	(827,175)	653,352
Net assets as of beginning of year as restated	10,823,120	1,850,690	12,673,810
Net assets as of end of year	<u>\$ 12,303,647</u>	<u>\$ 1,023,515</u>	<u>\$ 13,327,162</u>

Community Foundation of Greater Rochester

Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Grants and Services	Support Services		Total
		Management and General	Fundraising	
Salaries and benefits	\$ 27,922	\$ 59,982	\$ 15,512	\$ 103,416
Grant requests	2,547,747	-	-	2,547,747
Professional services	10,835	23,274	6,019	40,128
Rent	6,682	14,350	3,712	24,744
Utilities	515	1,105	286	1,906
Insurance	780	1,675	433	2,888
Equipment, maintenance, furnishings, and repairs	83	180	47	310
Development	175	377	98	650
Telephone	826	1,772	458	3,056
Postage and shipping	338	720	185	1,243
Computer software, copy machine, and support	4,151	8,919	2,307	15,377
Dues and subscriptions	1,678	3,603	932	6,213
Office supplies	369	789	204	1,362
Publications, printing, and copying	723	1,551	401	2,675
Meeting, travel, and Board expenses	30	61	16	107
Event food and beverage	-	4	-	4
Event publicity	-	9	-	9
Event decorations, supplies, and promotional items	-	2	-	2
Total expenses	<u>\$ 2,602,854</u>	<u>\$ 118,373</u>	<u>\$ 30,610</u>	<u>\$ 2,751,837</u>

See accompanying notes.

Community Foundation of Greater Rochester

Statement of Functional Expenses

For the Year Ended December 31, 2020

	Program Grants and Services	Support Services		Total
		Management and General	Fundraising	
Salaries and benefits	\$ 29,041	\$ 62,385	\$ 16,134	\$ 107,560
Grant requests	2,051,355	-	-	2,051,355
Professional services	4,930	10,590	2,739	18,259
Rent	6,681	14,351	3,712	24,744
Utilities	490	1,052	272	1,814
Insurance	733	1,575	407	2,715
Equipment, maintenance, furnishings, and repairs	296	636	164	1,096
Development	336	722	187	1,245
Telephone	712	1,529	395	2,636
Postage and shipping	234	498	128	860
Computer software and support	3,565	7,659	1,981	13,205
Dues and subscriptions	1,175	2,523	653	4,351
Office supplies	318	684	177	1,179
Publications, printing, and copying	822	1,766	457	3,045
Meeting, travel, and Board expenses	36	77	20	133
Event food and beverage	-	6	-	6
Event publicity	-	14	-	14
Event decorations, supplies, and promotional items	-	3	-	3
Total expenses	<u>\$ 2,100,724</u>	<u>\$ 106,070</u>	<u>\$ 27,426</u>	<u>\$ 2,234,220</u>

See accompanying notes.

Community Foundation of Greater Rochester

Statements of Cash Flows

	Year Ended December 31	
	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 709,164	\$ 653,352
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized and unrealized gain on investments	(1,075,425)	(1,081,892)
Change in operating assets and liabilities:		
Prepaid expenses	2,854	(4,154)
Net cash from operating activities	<u>(363,407)</u>	<u>(432,694)</u>
Cash flows from investing activities		
Purchases of investments	(4,094,613)	(2,857,813)
Proceeds from the sale of investments	3,841,118	3,008,229
Net cash from investing activities	<u>(253,495)</u>	<u>150,416</u>
Change in cash and cash equivalents	(616,902)	(282,278)
Cash and cash equivalents as of beginning of year	3,487,279	3,769,557
Cash and cash equivalents as of end of year	<u>\$ 2,870,377</u>	<u>\$ 3,487,279</u>
Supplemental cash flow information		
Proceeds of corporate-owned life insurance policies	\$ -	\$ 152,426

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Organization

The Community Foundation of Greater Rochester (Foundation) is a Michigan not-for-profit corporation incorporated April 5, 1983. The purpose of the Foundation is to receive and accept funds and property to be administered exclusively for charitable purposes primarily in, and for the people of, the Greater Rochester Area.

Basis of Accounting and Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities according to the following mutually exclusive net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Foundation considers all short-term securities purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair value. Under this method of accounting, the carrying value is adjusted to the quoted market value at the end of the fiscal year. Unrealized gains and losses are reflected in the statements of activities.

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Investments (continued)

Fair value is based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Investments are protected by the Securities Investor Protection Corporation (SIPC). The SIPC provides up to \$500,000 of protection per investor. As of December 31, 2021, the Foundation had approximately \$10,659,000 of uninsured funds and approximately \$9,330,000 as of December 31, 2020. Management and the Board of Trustees believe the Foundation is not exposed to any significant interest rate or other financial risk as a result of these investments.

Grants

Grants are recorded as expenses when they are approved by the Foundation's Board of Trustees for payment.

Contributions

The Foundation reports gifts of cash and other assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

All tax years from 2018 through the current year remain open to examination. The Foundation does not believe that the results from any examination of these open years would have a material adverse effect on the Foundation.

Functional Allocation of Expenses

The costs of providing the program and support services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Although the methods of allocation used are considered appropriate, other methods could be used that would produce a different amount.

The following expenses were directly allocated in the statements of functional expenses: grant requests, event food and beverage, event publicity, and event decorations, supplies, and promotional items. Remaining expenses were allocated on the basis of time and effort.

Donated Services

The Foundation receives donated services from a variety of unpaid volunteers who perform a variety of tasks that assist with specific programs or assignments. No amounts have been reflected in the financial statements for donated services because the valuation is not susceptible to objective measurement or evaluation.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Fair Value Measurements (continued)

- Level 2 – Significant observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that reflect an entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In determining the appropriate levels, the Foundation performed a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended December 31, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Subsequent Events

Subsequent events have been evaluated through July 19, 2022, which is the date the financial statements were available to be issued.

2. Liquidity and Availability

The following represents the Foundation’s financial assets as of December 31:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,870,377	\$ 3,487,279
Investments	11,158,516	9,829,596
Prepaid expenses	7,433	10,287
Total financial assets	<u>14,036,326</u>	<u>13,327,162</u>
Less amounts not available to be used within one year	7,433	10,287
Less amounts with donor restrictions	<u>899,107</u>	<u>1,023,515</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 13,129,786</u>	<u>\$ 12,293,360</u>

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

2. Liquidity and Availability (continued)

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Foundation invests cash in excess of daily requirements in various investments, as more fully described in Notes 3 and 7 of the financial statements.

3. Investments

Investments are recorded at fair value. The cost and fair value are summarized as follows:

	December 31, 2021		
	Cost	Fair Value	Unrealized Gain
Fixed income	\$ 3,680,677	\$ 3,711,277	\$ 30,600
Equity securities	5,647,778	6,963,267	1,315,489
Equity real estate investments	459,525	483,972	24,447
	<u>\$ 9,787,980</u>	<u>\$ 11,158,516</u>	<u>\$ 1,370,536</u>

	December 31, 2020		
	Cost	Fair Value	Unrealized Gain (Loss)
Fixed income	\$ 3,229,072	\$ 3,376,582	\$ 147,510
Equity securities	4,773,793	6,236,923	1,463,130
Equity real estate investments	219,337	216,091	(3,246)
	<u>\$ 8,222,202</u>	<u>\$ 9,829,596</u>	<u>\$ 1,607,394</u>

The realized and unrealized gain on investments recorded in the statements of activities reflects the net gains and losses on investments bought and sold, as well as held during the year.

4. Concentration of Credit Risk

The Foundation maintains cash in accounts at three different financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). The FDIC and NCUSIF provide coverage for up to \$250,000 per depositor per financial institution. At times during the year and at year end, the Foundation's account balances exceeded the amount of FDIC and NCUSIF coverage. The Foundation had approximately \$2,131,000 of uninsured funds at these financial institutions as of December 31, 2021 and approximately \$2,673,000 as of December 31, 2020. To date, the Foundation has not experienced any losses in such accounts. Management and the Board of Trustees believe the Foundation is not exposed to any significant credit risk on cash and cash equivalents.

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

5. Lease Commitments

In October 2014, the Foundation entered into a three-year operating lease agreement for office space located at 303 East Street, Rochester, Michigan. This lease was extended an additional three years to October 14, 2020. In 2020, the Foundation exercised a three-year renewal option on the extension, bringing the lease expiration to October 14, 2023. For the rental of this facility, the Foundation paid \$24,744 for the year ended December 31, 2021 and \$24,744 for the year ended December 31, 2020.

Future minimum lease payments under this non-cancelable operating lease agreement as of December 31, 2021 are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2022	24,744
2023	18,558
Total future minimum lease payments	<u>\$ 43,302</u>

6. Fair Value Measurements

Fair values of assets measured on a recurring basis as of December 31 are as follows:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices In</u>		
	<u>Fair Value</u>	<u>Active Markets</u>	<u>Significant Other</u>	<u>Significant</u>
		<u>For Identical</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Assets/Liabilities</u>	<u>Inputs</u>	<u>Inputs</u>
<u>2021</u>		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Fixed income	\$ 3,711,277	\$ 3,711,277	\$ -	\$ -
Equity securities	6,963,267	6,963,267	-	-
Equity real estate investments	483,972	-	483,972	-
	<u>\$ 11,158,516</u>	<u>\$ 10,674,544</u>	<u>\$ 483,972</u>	<u>\$ -</u>

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

6. Fair Value Measurements (continued)

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices In Active Markets For Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020				
Fixed income	\$ 3,376,582	\$ 3,376,582	\$ -	\$ -
Equity securities	6,236,923	6,236,923	-	-
Equity real estate investments	216,091	-	216,091	-
	<u>\$ 9,829,596</u>	<u>\$ 9,613,505</u>	<u>\$ 216,091</u>	<u>\$ -</u>

7. Endowment

The endowment and winning futures pools of the Foundation are comprised of individual endowment funds which can receive contributions, with or without donor restrictions. For those individual endowment funds, the Board's variance power causes the funds to be quasi endowments. The Foundation has variance power over all Foundation net assets according to the Fund agreements signed by the donors at the time of setup. The only exclusion to the Foundation's variance power is when the Foundation enters into a grant or other similar agreement where the use of the funds is restricted by the agreement. The Foundation classifies the original value of any contributions received by the endowment funds, unless restricted by a grant or other agreement, as well as any subsequent investment returns and changes in fair value of investments as net assets without donor restrictions.

The Board of Trustees has determined that contributions to Foundation endowment funds are subject to the terms of its governing documents and the Foundation maintains variance power over such contributions. Therefore, the Board of Trustees has the ability to distribute, at its sole discretion, the original principal of these funds, subject to any donor-imposed restrictions. As a result of the ability to distribute the original principal, these contributions are classified as net assets without donor restrictions, unless a donor or grant restriction exists, in which case contributions would be classified as net assets with donor restrictions. Because of the Foundation's variance power and the endowments being classified as quasi endowments, individual endowments cannot be classified as underwater endowments.

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

7. Endowment (continued)

The Foundation has adopted investment and spending policies, for endowment assets, approved by the Board of Trustees, that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of those endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes with the following ranges:

Investment Type	Range
Equity:	60% (+/- 10%)
Large Cap	27.5% (+/- 27.50%)
Mid Cap	10% (+/- 10%)
Small Cap	7.5% (+/- 7.5%)
International	15% (+/- 15%)
Bonds	27.5% (+/- 10%)
Alternatives	7.5% (+/- 7.5%)
Cash	5% (+/- 5%)

The Foundation's Board of Trustees reviews investment performance on a quarterly basis to ensure compliance with their policy.

The spending policy determines the amount of money annually distributed from the Foundation's various endowment funds for grant making and administration. The current spending policy is to distribute an income amount, notwithstanding the historical gift amount, not to exceed 5% of the average year-end value over rolling three-year periods. In addition, newly established endowment funds shall be fully invested for four quarters before distributions may be made from the funds.

The Foundation invests with the long-term objectives of: 1) preserve and grow assets, 2) maximize benefits, 3) produce current income, and 4) support donor and Foundation philosophies. Due to the long-term nature of the investments, the Foundation's investment policy does not limit investment maturities.

The Foundation's investment policy limits investments in any single publicly traded equity or bond security to no more than 20% of the Foundation's assets.

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

7. Endowment (continued)

The balance of the Foundation's endowment funds is as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 10,757,735	\$ -	\$ 10,757,735
Total funds	\$ 10,757,735	\$ -	\$ 10,757,735

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 9,656,857	\$ -	\$ 9,656,857
Total funds	\$ 9,656,857	\$ -	\$ 9,656,857

Changes in endowment net assets are as follows for the year ended December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of period	\$ 9,656,857	\$ -	\$ 9,656,857
Investment return:			
Investment income	213,063	-	213,063
Investment fees	(60,120)	-	(60,120)
Net realized and unrealized gain	1,086,466	-	1,086,466
Total investment return	1,239,409	-	1,239,409
Contributions	405,123	-	405,123
Grants and expenses	(338,025)	-	(338,025)
Administrative fees	(205,629)	-	(205,629)
Endowment net assets, end of period	\$ 10,757,735	\$ -	\$ 10,757,735

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

7. Endowment (continued)

Changes in endowment net assets are as follows for the year ended December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of period (as restated)	\$ 8,558,329	\$ -	\$ 8,558,329
Investment return:			
Investment income	152,982	-	152,982
Investment fees	(47,231)	-	(47,231)
Net realized and unrealized gain	1,036,818	-	1,036,818
Total investment return	1,142,569	-	1,142,569
Contributions	324,282	-	324,282
Grants and expenses	(203,651)	-	(203,651)
Administrative fees	(164,672)	-	(164,672)
Endowment net assets, end of period	<u>\$ 9,656,857</u>	<u>\$ -</u>	<u>\$ 9,656,857</u>

8. Net Assets

Net assets with donor restrictions consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Temporary restriction:		
Ralph C Wilson Jr. Foundation grant for Michigan Airline Trail Construction	\$ 387,646	\$ 716,043
Ralph C Wilson Jr. Foundation grant for Paint Creek Trail Improvements	-	72,827
Ralph C Wilson Jr. Foundation grant for Clinton River Trail Improvements	174,461	197,645
Community Foundation for Southeast Michigan for Clinton River Trail Upgrades	337,000	37,000
Total net assets with donor restrictions	<u>\$ 899,107</u>	<u>\$ 1,023,515</u>

Community Foundation of Greater Rochester

Notes to Financial Statements

December 31, 2021

8. Net Assets (continued)

The Foundation's net assets without donor restrictions are comprised of the following:

	December 31	
	2021	2020
Designated for field of interest	\$ 503,109	\$ 390,003
Designated for organizations	2,040,600	2,097,224
Designated for scholarship	1,165,684	908,363
Designated for donor advised	5,435,064	4,975,837
Designated for other	3,992,762	3,932,220
Total net assets without donor restrictions	<u>\$ 13,137,219</u>	<u>\$ 12,303,647</u>

9. COVID-19

The current Coronavirus pandemic has had an economic impact on the United States and the international community. While the Foundation has not experienced a material adverse impact as of the date of these financial statements, the future impact, if any, cannot be determined.

10. Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is reasonably possible changes in values of investment securities could occur subsequent to year-end and such changes could materially affect investment balances as reported by the Foundation.