Greater Green Bay Community Foundation, Inc. and Affiliates

Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Greater Green Bay Community Foundation

WIPFLI

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Independent Auditor's Report

Board of Directors
Greater Green Bay Community Foundation, Inc.
Green Bay, Wisconsin

We have audited the accompanying consolidated financial statements of Greater Green Bay Community Foundation, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Greater Green Bay Community Foundation, Inc. and Affiliates as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

September 15, 2021
Green Bay, Wisconsin

Greater Green Bay Community Foundation, Inc. and Affiliates

Consolidated Statements of Financial Position

June 30, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	$ 591,119	$ 13,390,355
Promises to give - Net	684,168	695,524
Prepaid expenses and other assets	81,570	116,737
Charitable lead annuities receivable - Net	384,986	181,963
Total current assets	1,741,843	14,384,579
Noncurrent assets:		
Investments	201,726,376	136,324,083
Promises to give - Net	433,250	319,334
Cash surrender value of life insurance	401,910	390,820
Beneficial interest in charitable remainder trust	0	826,361
Charitable lead annuities receivable - Net	3,853,749	4,322,549
Total noncurrent assets	206,415,285	142,183,147
Property and equipment - Net	59,205	76,833
TOTAL ASSETS	$ 208,216,333	$ 156,644,559

Liabilities and Net Assets	2021	2020
Liabilities:		
Accounts payable and accrued expenses	$ 58,851	$ 46,872
Refundable advance liability	0	157,500
Agency funds payable	39,937,265	31,900,424
Total liabilities	39,996,116	32,104,796
Net assets:		
Without donor restrictions	162,462,154	117,803,212
With donor restrictions	5,758,063	6,736,551
Total net assets	168,220,217	124,539,763
TOTAL LIABILITIES AND NET ASSETS	$ 208,216,333	$ 156,644,559

See accompanying notes to consolidated financial statements.

Greater Green Bay Community Foundation, Inc. and Affiliates

Consolidated Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and public support:			
Contributions	$ 50,991,121	$ 598,773	$ 51,589,894
Investment income - Net	25,168,392	0	25,168,392
Change in beneficial interest of charitable lead annuities	85,911	0	85,911
PPP grant revenue	157,500	0	157,500
Miscellaneous	311,986	11,090	323,076
Net assets released from restriction	1,588,351	(1,588,351)	0
Total revenue and public support	78,303,261	(978,488)	77,324,773
Expenses:			
Program	32,825,216	0	32,825,216
Management and general	597,616	0	597,616
Fund-raising	221,487	0	221,487
Total expenses	33,644,319	0	33,644,319
Change in net assets	44,658,942	(978,488)	43,680,454
Net assets at beginning	117,803,212	6,736,551	124,539,763
Net assets at end	$ 162,462,154	$ 5,758,063	$ 168,220,217

See accompanying notes to consolidated financial statements.

Greater Green Bay Community Foundation, Inc. and Affiliates

Consolidated Statement of Activities

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and public support:			
Contributions	$ 40,602,842	$ 252,667	$ 40,855,509
Investment loss - Net	(2,718,653)	0	(2,718,653)
Change in beneficial interest of charitable lead annuities	83,275	0	83,275
Miscellaneous	266,988	3,802	270,790
Net assets released from restriction	7,032,395	(7,032,395)	0
Total revenue and public support	45,266,847	(6,775,926)	38,490,921
Expenses:			
Program	34,362,783	0	34,362,783
Management and general	566,840	0	566,840
Fund-raising	226,554	0	226,554
Total expenses	35,156,177	0	35,156,177
Change in net assets	10,110,670	(6,775,926)	3,334,744
Net assets at beginning	107,692,542	13,512,477	121,205,019
Net assets at end	$ 117,803,212	$ 6,736,551	$ 124,539,763

See accompanying notes to consolidated financial statements.

Greater Green Bay Community Foundation, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Program	Management and General	Fund-Raising	Total
Expenses:				
Grants	$ 16,603,979	$ 0	$ 0	$ 16,603,979
Salaries	579,720	361,931	94,683	1,036,334
Payroll taxes	38,293	24,371	6,376	69,040
Benefits	21,872	13,920	3,642	39,434
Insurance	0	9,320	0	9,320
Donor life insurance	0	8,444	0	8,444
Professional fees	0	27,501	0	27,501
Computer services	46,795	23,397	46,795	116,987
Occupancy	12,088	68,501	0	80,589
Telephone	3,479	2,485	3,976	9,940
Conferences and meetings	5,900	2,458	1,475	9,833
Travel and lodging	87	43	87	217
Office supplies	1,606	4,819	1,606	8,031
Printing	7,267	3,634	7,268	18,169
Promotion	0	0	50,117	50,117
Giving Day	34,011	0	0	34,011
Postage	1,001	2,604	401	4,006
Other professional fees	22,500	0	0	22,500
Equipment rentals and maintenance	0	2,923	0	2,923
Depreciation	0	28,834	0	28,834
Dues and subscriptions	5,061	2,530	5,061	12,652
Project expense	15,441,557	0	0	15,441,557
Miscellaneous	0	9,901	0	9,901
Totals	$ 32,825,216	$ 597,616	$ 221,487	$ 33,644,319

See accompanying notes to consolidated financial statements.

Greater Green Bay Community Foundation, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	Program	Management and General	Fund-Raising	Total
Expenses:				
Grants	$ 16,192,767	$ 0	$ 0	$ 16,192,767
Salaries	516,358	332,207	83,649	932,214
Payroll taxes	34,680	21,612	6,139	62,431
Benefits	6,216	3,874	1,100	11,190
Insurance	0	8,828	0	8,828
Donor life insurance	0	912	0	912
Professional fees	0	23,610	0	23,610
Computer services	42,452	21,226	42,452	106,130
Occupancy	9,729	55,131	0	64,860
Telephone	3,448	2,463	3,940	9,851
Conferences and meetings	57,242	23,851	14,311	95,404
Travel and lodging	1,746	873	1,746	4,365
Office supplies	2,918	8,753	2,918	14,589
Printing	5,189	2,595	5,189	12,973
Promotion	0	0	60,731	60,731
Giving Day	20,346	0	0	20,346
Postage	1,202	3,126	481	4,809
Special events	0	0	0	0
Equipment rentals and maintenance	0	2,994	0	2,994
Depreciation	0	28,152	0	28,152
Dues and subscriptions	3,898	1,949	3,898	9,745
Project expense	17,464,592	0	0	17,464,592
Miscellaneous	0	24,684	0	24,684
Totals	$ 34,362,783	$ 566,840	$ 226,554	$ 35,156,177

See accompanying notes to consolidated financial statements.

Greater Green Bay Community Foundation, Inc. and Affiliates

Consolidated Statements of Cash Flows

June 30, 2021 and 2020

	2021	2020
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	$ 43,680,454	$ 3,334,744
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	28,834	28,152
Realized and unrealized loss (gain) on investments	(21,866,486)	6,668,791
Change in beneficial interest of charitable lead annuities	(85,911)	(83,275)
Change in cash surrender value of life insurance	(11,090)	(3,802)
Changes in operating assets and liabilities:		
Promises to give	(102,560)	511,042
Prepaid expenses and other assets	35,167	(3,466)
Charitable lead annuities receivable	351,688	405,447
Beneficial interest in charitable remainder trust	826,361	5,946,314
Accounts payable and accrued expenses	11,979	7,827
Refundable advance liability	(157,500)	157,500
Agency funds payable	8,036,841	(1,216,963)
Net cash flows from operating activities	30,747,777	15,752,311
Cash flows from investing activities:		
Purchases of property and equipment	(11,206)	(7,706)
Proceeds from sale of investments	10,774,291	8,703,971
Purchases of investments	(54,310,098)	(11,887,164)
Net cash flows from investing activities	(43,547,013)	(3,190,899)
Change in cash and cash equivalents	(12,799,236)	12,561,412
Cash and cash equivalents at beginning	13,390,355	828,943
Cash and cash equivalents at end	$ 591,119	$ 13,390,355
Supplemental disclosure of noncash operating activities		
Change in beneficial interest of charitable lead annuities	(85,911)	$ (83,275)

See accompanying notes to consolidated financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Greater Green Bay Community Foundation, Inc. and Affiliates (the "Foundations") are public charities consisting of over 700 charitable funds established by individuals, not-for-profit organizations, and corporations. The Foundations' mission is to inspire and encourage charitable giving in northeastern Wisconsin by connecting caring people with solutions that strengthen community. The Foundations' collaborative work is carried out through grants to charitable organizations primarily in Brown, Kewaunee, and Oconto Counties along with leadership initiatives across northeastern Wisconsin that catalyze and enhance the collective impact of these investments.

The Foundations were established to aid, develop, and enhance the quality of life for the community and its citizens. They fulfill their mission through:

- Leveraging the resources available to deepen impact throughout the region with a clear understanding of the issues affecting our communities.
- Elevating the community’s awareness and understanding critical needs with connecting people, their passion for philanthropy, and organizations impacting the region.
- Building a diverse and engaging culture of service where each person is provided the opportunity to make an impact.
- Assuring the Foundations maintain their ability to fund community need over time through prudent management of philanthropic assets.
- Addressing the emerging and changing needs of the community in the areas of arts and culture, animal welfare, basic needs, education, environment and conservation, health and wellness, human services, community improvement, and youth development.

The affiliated organizations include Hilliard Family Foundation, Inc., B.C.L. Foundation, Inc., NEW Community Shelter Foundation, Inc., and Stand Together Foundation, Inc.

Use of Estimates

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Consolidation

For financial reporting purposes, the consolidated financial statements include the accounts of Greater Green Bay Community Foundation, Inc., Hilliard Family Foundation, Inc., B.C.L. Foundation, Inc., NEW Community Shelter Foundation, Inc., and Stand Together Foundation, Inc. The entities are consolidated because Greater Green Bay Community Foundation, Inc. has both an economic interest in and control of the entities through a majority voting interest in the governing boards. Greater Green Bay Community Foundation, Inc. also provides administrative services for the affiliates. All significant intercompany transactions and accounts have been eliminated.

Basis of Accounting

The consolidated financial statements of the Foundations have been prepared on the accrual basis of accounting in accordance with GAAP.

Basis of Presentation

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

- *Net assets without donor restrictions* are not subject to donor-imposed stipulations.
- *Net assets with donor restrictions* are subject to donor-imposed stipulations that may or will be met, either by actions of the Foundations and/or the passage of time. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

GAAP provides that if a governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The Foundations' Boards of Directors (the "Boards") have that ability (variance power); however, the Boards would intend to exercise this authority only if the stated purpose of the contribution became no longer applicable and incapable of fulfillment. Accordingly, the Foundations' consolidated financial statements classify substantially all funds, including the principal of endowment funds, as net assets without donor restrictions. However, for internal management and endowment recordkeeping, they segregate the portion that is held as an endowment from the funds that are currently available for grants. In addition, to ensure the Foundations observe the limitations and restrictions placed on the funds by the donors, the Foundations' accounts are managed as individual charitable funds.

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Foundations consider all highly liquid debt instruments with an original maturity of three months or less, except those held by investment managers, to be cash equivalents.

Promises to Give

Unconditional promises to give are recorded as receivables and contribution revenue in the year promised. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Intentions to give are not recognized as revenue unless they are legally enforceable. Promises to give for which the eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give that will be collected in future periods are also recorded as an increase to net assets with donor restrictions and released from restriction when received.

The Foundations analyze the promises to give and record an allowance that management believes will reserve for possible losses on existing promises that may become uncollectible. The evaluation takes into consideration such factors of prior loss experience, current economic conditions, and collectability. Management has determined that all promises to give are collectible as of June 30, 2021 and 2020, and has not provided for an allowance for doubtful accounts.

Property and Equipment

All acquisitions and improvements of property and equipment of $1,500 or more are capitalized, while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Leasehold improvements are capitalized and amortized over the life of the lease, or the useful life of the asset, whichever is shorter. Depreciation is computed using the straight-line method over the estimated lives of the assets.

Investments

The Foundations carry investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in change in net assets in the accompanying consolidated statements of activities.

Note 1: Summary of Significant Accounting Policies (Continued)

Investments (Continued)

Investment income (loss) is reported as an increase in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. Investment fees, including direct internal investment expenses, if any, are netted with return on the consolidated statements of activities.

Investment Management Policies

An investment policy statement was adopted by the Foundations' Boards to direct the prudent investment of the Foundations' investment portfolio. This investment policy statement shall be used by the Foundations in their duty to oversee investment managers and consultants. As part of their fiduciary responsibility to donors and the community, the Foundations choose investment managers and consultants who will be diligent in managing the portfolio in accordance with the investment policy statement. The performance of the investment managers and consultants is monitored and changes are made when necessary. During the year ended June 30, 2020, the Foundations changed investment managers to better align with the goals and direction outlined in the investment policy statement.

The Foundations' primary investment objective is to achieve an annualized total return (net of investment fees and expenses), through appreciation and income, equal to or greater than the rate of inflation (as measured by the domestic Consumer Price Index) plus any spending; thus at a minimum, maintaining the purchasing power of the portfolio. The assets are to be managed in a manner that will meet the primary objective while at the same time attempt to limit volatility in year-to-year spending.

The Foundations believe the benefits of investing in assets with higher return expectations outweigh their short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities, including real estate.

The target asset allocation should provide an expected total return equal to or greater than the primary objective of the portfolio while avoiding undue risk concentrations in any single asset class or category; thus, reducing risk at the overall portfolio level. To achieve these goals, the asset allocation has been designed with specific target percentages.

The distribution rate is based on a total return approach, which utilizes both income and capital appreciation to be withdrawn for spending. The Foundations' targeted spending amount is based on a constant growth model utilizing prior year spending policies plus a factor of new gifts. However, if unusual circumstances exist, the Boards may authorize distribution from the principal of the funds for their stated purpose.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Types

The Foundations' funds are of various types, reflecting the purposes of the donors who have contributed to them:

- *Unrestricted funds* - Funds over which the Boards have full discretion in making distributions for charitable purposes to meet community needs.
- *Legacy funds* - Funds established to provide support for the Foundations' ongoing operations.
- *Donor-advised funds* - Funds for which the donor has reserved the right to make nonbinding distribution recommendations to the Boards.
- *Field of interest funds* - Funds used at the discretion of the Boards to meet a general field of charitable need specified by the donor.
- *Designated funds* - Funds established by donors to provide sustaining support to a specific institution, agency, or program specified by the donor.
- *Agency funds* - Funds established by charitable agencies and organizations to partake in a larger investment pool so each agency's fund realizes greater returns with a lower level of risk. The earnings are disbursed to each agency for use as its respective Board deems appropriate. The revenue and expenses of these funds are not included in the Foundations' consolidated statements of activities.
- *Project funds* - Special funds developed between the Foundations and an agency for a special project the agency needs to raise funds for. The Foundations provide support for donor records and gift acknowledgement and can act as a fiscal agent for fund distributions.
- *Scholarship funds* - Funds established for the benefit of local students. Selection is made by the Greater Green Bay Community Foundation, Inc.'s scholarship selection committees.

Since the Foundations have been granted variance power, all interest, dividends, and unrealized and realized gains are unrestricted. They are available for grants to charitable organizations and operating and fund-raising expenses incurred by the Foundations.

Beneficial Interests in Charitable Remainder Trust

The Greater Green Bay Community Foundation, Inc. has been named as an irrevocable remainder beneficiary of a charitable trust administered by independent trustees. The trust provides for the distribution of two annual annuity payments to an annuity beneficiary, with discretionary distributions available to the trustee and the remainder interest to be paid at the termination of the trust. At the date the Greater Green Bay Community Foundation, Inc. receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statements of activities in the amount of the assets in the trust less the estimated present value of the annuity payments, and a beneficial interest in charitable remainder trust is recorded in the consolidated statements of financial position at the fair value of the underlying trust assets not subject to annuity payments. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets less estimated annuity liabilities.

Note 1: Summary of Significant Accounting Policies (Continued)

Beneficial Interests in Charitable Remainder Trust (Continued)

During the years ended June 30, 2021 and 2020, the Greater Green Bay Community Foundation, Inc. collected approximately $826,000 and $6 million, respectively, of the remainder trust interest, which is reflected as a reduction in the asset and an increase in investments reported on the consolidated statements of financial position, an increase in operating cash flow generated on the consolidated statements of cash flows, and the change in the fair value of this asset is described in Note 7.

Charitable Lead Annuities Receivable

Greater Green Bay Community Foundation, Inc. is the beneficiary of several agreements with donors that consist of irrevocable charitable lead annuity trusts for which the Foundation is the lead annuity beneficiary. Contribution revenue and a related charitable lead annuity receivable are recognized at the date the Greater Green Bay Community Foundation, Inc. becomes aware of the charitable trust documents. The receivable and contribution amounts are established at an amount equal to the present value of the the expected future cash flows as established in the trusts' payment schedules. The charitable lead annuity trust receivable is adjusted during the term of the trust for changes in the estimated present value of expected future cash flows, using discount rates ranging from 1% to 2%. Such changes are included as revenue and net assets with donor restrictions, as applicable.

Fair Value Measurements

Fair value is the price that would be received when an asset is sold or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists therefore requiring an entity to develop its own assumptions. The fair value measurement of assets or liabilities within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Contribution Revenue

Contributions are recognized as revenue when received. Conditional contributions are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Assets received for which the condition has not been satisfied are recorded as a refundable advance liability.

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

Contributions are recognized as revenue when they are received or unconditionally promised. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire, which is the stipulated time when a restriction ends or purpose restriction is accomplished in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting activities that are benefited. Salaries and fringe of personnel are allocated based on time and effort and other operating expenses are allocated based on relative benefit as estimated by usage.

Grants Payable

Unconditional grants are recognized as expenses when approved. Conditional grants are recognized when the conditions on which they depend are substantially met.

Investments Managed for Others

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-50-6, *Assets Transferred to the Foundations From Other Not-for-Profit Organizations Specifying Themselves or Affiliates as Beneficiary,* $39,937,265 and $31,900,424 is recorded by the Foundations as an asset and a liability at June 30, 2021 and 2020, respectively. Changes in those assets are recorded as increases or decreases in the liability with no effect on the consolidated statements of activities.

Change in Accounting Principles

On June 21, 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to ASC 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized.

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Principles (Continued)

The Organizations have applied the amendments in this ASU on a modified prospective basis. There was no change in opening balances of net assets and no prior period results were restated. The amendments in this ASU also apply to both resources received by a recipient and resources given by a resource provider. The provisions related to resources received were implemented for the Foundations' fiscal year ended June 30, 2020.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurements*. The amendments in the ASU are intended to improve the effectiveness of disclosures about fair value measurements required under ASC 820. The ASU removes certain disclosures and modifies others. The Foundations have applied the amendments in this ASU on a retrospective basis. There was no change in operating balances or net assets and no prior period results were restated.

Income Taxes

The Foundations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundations' tax-exempt purpose is subject to taxation on unrelated business income. In addition, the Foundations qualify for a charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations. The Foundations are also exempt from Wisconsin income taxes.

The Foundations are required to assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Foundations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Subsequent Events

The Foundations have evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through September 15, 2021, the date on which the consolidated financial statements were available to be issued.

Note 2: Concentration of Credit Risk

The Foundations maintain their bank accounts at financial institutions in the Green Bay area. The balances are insured by the FDIC for up to $250,000 per insured depository institution. At certain times during the year, cash balances may exceed FDIC-insured coverage. The Foundations have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk on cash.

Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure (those without donor or other restrictions limiting their use, within one year of the statement of financial position date) comprise the following at June 30:

	2021	2020
Financial resources available for expenditure in the next 12 months:		
Cash and cash equivalents	$ 591,119	$ 13,390,355
Promises to give	684,168	695,524
Charitable lead annuities receivable	384,986	181,963
Investments	201,726,376	136,324,083
Cash surrender value of life insurance	401,910	390,820
Subtotal financial resources	203,788,559	150,982,745
Less:		
Promises to give designated for project funds	(684,168)	(695,524)
Cash held for specific project fund payments	(35,643,465)	(11,887,950)
Net assets with donor designations	(39,519,958)	(105,831,954)
Investments held for agencies	(127,256,420)	(31,900,424)
Totals	$ 684,548	$ 666,893

The significant decrease in cash and cash equivalents in 2021 was directly as a result of a new project fund. These funds were earmarked to be utilized on a specific project during the fiscal year ending June 30, 2021, and as such have been excluded from the liquidity calculation above.

The Foundations have a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately $246,000. As part of its liquidity management, the Foundations invest cash in excess of daily requirements in various short-term investments. The Foundations depend on administrative fees charged to donor funds to generate operating cash flow. The totals above do not include future administrative fees that will be charged in 2021, but will be available for general expenditure once charged.

Note 4: Unconditional Promises to Give

Unconditional promises to give were as follows for the years ended June 30:

	2021	2020
Receivable in less than one year	$ 684,168	$ 695,524
Receivable in one to five years	433,250	319,334
Total unconditional promises to give	1,117,418	1,014,858
Less - Discounts to net present value	0	0
Unconditional promises to give - Net	$ 1,117,418	$ 1,014,858

No discount has been provided during 2021 and 2020 as it is immaterial.

Promises to give consisted of the following for the years ended June 30:

	2021	2020
Operating funds	$ 2,500	$ 3,000
Project funds	1,114,918	1,011,858
Total promises to give	$ 1,117,418	$ 1,014,858

Note 5: Charitable Lead Annuities Receivable

In 2016, the Foundations became aware that several donors had established irrevocable charitable lead annuity trusts naming Greater Green Bay Community Foundation, Inc. (or one of its component funds) as the lead beneficiary. Under terms of the split-interest agreements, the Foundations are to receive annual payments under certain payment schedules for terms varying between 10 and 20 years. Based on the terms of the trusts and the use of discount rates varying from 1% to 2%, the present value of future benefits expected to be received by the Foundations was estimated to be $4,238,735 and $4,504,512 in 2021 and 2020, respectively. In the year of receipt, these contributions were reported as contribution with donor restrictions and a charitable lead annuities receivable. In subsequent years, the balance is adjusted for payments received and the change in the present value of future benefits expect.

Note 6: Investments

Investments are summarized as follows for the years ended June 30:

	2021	2020
Mutual funds	$ 90,712,024	$ 90,960,647
Corporate stock	3,626,688	3,024,915
Corporate bonds	81,419,013	39,895,796
Investments measured at net asset value	16,520,657	0
Money market funds	9,447,994	2,442,725
Total investments	$ 201,726,376	$ 136,324,083

Note 7: Fair Value Measurements

The following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds are measured at cost, which approximates fair value.
- Equities, stock funds, and bond funds are valued at quoted market prices, when available. For stock and bond funds that are not actively traded, values are based on the market values of the stocks and bonds in these funds.
- Bonds are valued based on the most recent market information, but because these are not actively traded, these are reported as Level 2.
- Charitable lead annuities receivable is determined by calculating the present value of future distributions to be received, using a published life expectancy table and discount rate of between 1% and 2%.
- The fair value of investments measured at net asset value are select equity funds is based on the net asset value per share as a practical expedient.

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

Note 7: Fair Value Measurements (Continued)

The following table sets forth the level, within the fair value hierarchy of, the Foundations' assets measured at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Equity funds	$ 82,307,585	$ 0	$ 0	$ 82,307,585
Commodity funds	61,029	0	0	61,029
Income funds	823,861	0	0	823,861
Balanced funds	378,651	0	0	378,651
International funds	715,567	0	0	715,567
Growth funds	3,709,292	0	0	3,709,292
Exchange-traded funds	2,716,039	0	0	2,716,039
Equities:				
Domestic equities	3,244,351	0	0	3,244,351
Foreign equities	382,337	0	0	382,337
Fixed income funds:				
Corporate bond funds	79,742,770	259,432	0	80,002,202
Corporate bonds	0	1,416,811	0	1,416,811
Money market funds	0	9,447,994	0	9,447,994
Investments measured at net asset value	0	0	0	16,520,657
Total investments at fair value	174,081,482	11,124,237	0	201,726,376
Charitable lead annuities receivable	0	0	4,238,735	4,238,735
Total assets at fair value	$ 174,081,482	$ 11,124,237	$ 4,238,735	$ 205,965,111

Note 7: Fair Value Measurements (Continued)

The following table sets forth the level, within the fair value hierarchy, the Foundations' assets measured at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Equity funds	$ 79,158,014	$ 0	$ 0	$ 79,158,014
Commodity funds	53,854	0	0	53,854
Income funds	405,002	0	0	405,002
Balanced funds	398,458	0	0	398,458
International funds	415,682	0	0	415,682
Growth funds	2,547,429	0	0	2,547,429
Exchange-traded funds	7,982,208	0	0	7,982,208
Equities:				
Domestic equities	2,729,956	0	0	2,729,956
Foreign equities	294,959	0	0	294,959
Fixed income funds:				
Corporate bond funds	38,323,451	245,612	0	38,569,063
Corporate bonds	0	1,326,733	0	1,326,733
Money market funds	0	2,442,725	0	2,442,725
Total investments at fair value	132,309,013	4,015,070	0	136,324,083
Charitable lead annuities receivable	0	0	4,504,512	4,504,512
Beneficial interest in charitable remainder trust	0	0	826,361	826,361
Total assets at fair value	$ 132,309,013	$ 4,015,070	$ 5,330,873	$ 141,654,956

There were no purchases or sales of charitable lead annuities receivable or beneficial interest in charitable remainder trusts during the years ended June 30, 2021 and 2020. The remaining beneficial interest in charitable remainder trust was paid out to the Foundation during 2021.

Note 7: Fair Value Measurements (Continued)

Investments Measured at Net Asset Value

Information regarding the Organizations' investments in entities that calculate net asset value per share or its equivalent for the year ended June 30, 2021, is as follows:

Private Investment Company	**Investment Strategy**	**Redemption Notice Period**	**Redemptions Permitted**	**Liquidity Restrictions**	**Balance**
Hirtle Callaghan Select Equity Fund, L.P.	Long-term growth	90 days	Quarterly	One-year initial lockup	$ 16,520,657

Hirtle Callaghan Select Equity Fund, L.P. is an actively managed equity fund the objective of which is to generate long-term growth in assets by investing in Hirtle Callaghan Select Equity Master Fund, L.P., which invests primarily in equity and equity-related securities with two main strategies: there is an equity - long biased core holding of long equities hedged at all times with short sales of stocks and/or stock index options and a multi-strategy that tactically allocates capital to various hedge fund strategies based on their perceived risk and return profiles.

There were no investments in entities that calculate net asset value per share or its equivalent for the year ended June 30, 2020.

Note 8: Investment Income (Loss)

Investment income (loss) consisted of the following for the years ended June 30:

	2021	**2020**
Interest and dividends	$ 3,858,298	$ 4,163,140
Realized gains (losses)	2,767,254	(627,173)
Unrealized gains (losses)	19,099,232	(6,041,618)
Investment consultant and management fees	(556,392)	(213,002)
Total investment income (loss)	$ 25,168,392	$ (2,718,653)

Note 9: Property and Equipment

Property and equipment consisted of the following for the years ended June 30:

	2021	2020
Furniture and equipment	$ 255,662	$ 244,456
Leasehold improvements	14,071	14,071
Subtotal property and equipment	269,733	258,527
Accumulated depreciation	(210,528)	(181,694)
Property and equipment - Net	$ 59,205	$ 76,833

Note 10: Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following for the years ended June 30:

	2021	2020
Contributions for future years	$ 1,117,418	$ 1,014,858
Charitable lead annuities receivable	4,238,735	4,504,512
Beneficial interest in charitable remainder trust	0	826,361
Cash value of life insurance	401,910	390,820
Total net assets with donor restrictions	$ 5,758,063	$ 6,736,551

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

	2021	2020
Collection of promises to give	$ 493,024	$ 763,709
Collection of charitable remainder interest trust payments	826,361	5,946,314
Collection of charitable annuity receivable payments	268,966	322,372
Total net assets released from restrictions	$ 1,588,351	$ 7,032,395

Note 11: Operating Leases

The Foundations lease office facilities and office equipment under operating leases that will expire in June 2022. The lease for facilities does have an option to terminate the lease prior to the end of the lease term with 365 days notice to the lessor, after 18 months (or December 31, 2021). The Foundations are required to maintain personal injury and property damage insurance for the leased facilities.

The Foundations have notified the lessor of the office facilities of intent to terminate the lease as allowed effective April 30, 2022. Rent expense was $74,034 and $62,481 in 2021 and 2020, respectively. Future minimum lease payments will be $58,284 in 2022 and $1,865 in 2023, totaling $60,149.

Note 12: Employee Benefit Plan

Employees are provided an annual benefit equal to 17.35% of their total compensation during 2021 and 2020. The annual percentage is at the discretion of management and is approved by the Board of Directors annually. The benefit amount is included in the taxable income of each eligible employee's semimonthly paycheck. Employees may then elect to have pretax dollars deducted from their check to cover premiums for various insurance plans or for contributions to a 403(b) retirement plan. For this employee benefit, $151,589 was paid out during 2021 and $136,268 was paid out during 2020.

Note 13: Conditional Grant Awards

At June 30, 2020, the Foundations had a refundable advance liability of $157,500. This amount resulted from the issuance of a Paycheck Protection Program award as a result of legislation passed to assist organizations in navigating the Coronavirus pandemic. The Foundations have determined that this is a conditional grant award and have applied the policy as described in Note 1, which says that conditional contributions and grants shall be reported as a refundable advance liability until the conditions are substantially met.

The conditions of this award include incurring eligible expenditures during a covered period of either 8 or 24 weeks and a formal review and approval of the forgiveness application by the lending institution. During 2021, the loan was forgiven in full and as such, revenue was recognized as the conditions were met.

Note 14: Concentrations

During 2021, a project fund received cumulative gifts from one donor that were, in total, approximately 74% of total contributions. During 2020, a project fund received cumulative gifts from one donor that were, in total, approximately 68% of total contributions.