

Greater Toledo
Community
Foundation, Inc.



Years Ended
December 31,
2020 and 2019

Consolidated
Financial
Statements
and
Supplementary
Consolidating
Information

Rehmann

GREATER TOLEDO COMMUNITY FOUNDATION INC.

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INDEPENDENT AUDITORS' REPORT

May 26, 2021

Board of Trustees
Greater Toledo Community Foundation, Inc.
Toledo, Ohio

We have audited the accompanying consolidated financial statements of **Greater Toledo Community Foundation, Inc.** (the "Foundation"), which comprise the consolidated statements of assets, liabilities and fund balances as of December 31, 2020 and 2019, and the related consolidated statements of support, revenue, expenses and changes in fund balances and functional expenses for the years then ended, and the related notes to the consolidated financial statements, all of which are prepared and presented on the modified cash basis method of accounting.

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 the modified cash basis method of accounting as described in Note 1; this includes determining that the modified cash basis is an acceptable basis for the preparation of the consolidated financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' 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 of America. Those standards require that we plan and perform the audits 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 auditor 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.

Rehmann is an independent member of Nexia International.



📍 7124 W. Central Ave, Toledo, OH 43617 📞 419.865.8118

We believe that 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 assets, liabilities and fund balances of ***Greater Toledo Community Foundation, Inc.*** as of December 31, 2020 and 2019, and the consolidated support, revenue, expenses and changes in fund balances for the years then ended in accordance with the modified cash basis method of accounting as described in Note 1 to the consolidated financial statements.

Special Purpose Financial Reporting Framework

As described in Note 1, these consolidated financial statements are prepared using the modified cash basis method of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Rehmann Lohman LLC". The signature is written in a cursive, flowing style.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statements of Assets, Liabilities and Fund Balances (Modified Cash Basis)

	ASSETS	December 31	
		2020	2019
Cash			
Demand deposits		\$ 2,379,017	\$ 2,107,118
Security investments, at cost			
Vanguard Index Total Stock Market Portfolio		44,992,719	43,815,268
Vanguard FTSE All-World EX-US Index Fund		92,337,221	88,314,038
DFA Global Fixed Income Fund		22,135,955	23,674,801
Vanguard Bond Index Fund		20,187,899	22,329,128
Vanguard Short-Term Bond Index Fund		877,118	904,052
Money market funds		9,726,892	4,538,631
Certificates of deposit		-	643,917
Exchange-traded funds		1,299,347	-
UBS Investment Partnership		1,251,656	3,147,347
Mutual and common trust funds (bank funds)		141,393	143,832
Stock in transit		57,268	112,709
Other		236,145	6,583
Total security investments		193,243,613	187,630,306
Net property and equipment		4,712,905	75,206
Note receivable (Note 9)		971,425	1,917,156
Other investments			
Real estate (Note 10)		2,350,000	3,749,498
Other		585,264	856,786
Total other investments		2,935,264	4,606,284
Total assets		\$ 204,242,224	\$ 196,336,070
LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued expenses		\$ 13,000	\$ 5,000
Paycheck Protection Program loan (Note 1)		303,400	-
Bank revolving loan (Note 13)		1,125,019	-
Total liabilities		1,441,419	5,000
Fund balances			
Without donor restrictions		20,080,177	20,089,464
With donor restrictions		182,720,628	176,241,606
Total fund balances		202,800,805	196,331,070
Total liabilities and fund balances		\$ 204,242,224	\$ 196,336,070

The accompanying notes are an integral part of these consolidated financial statements.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statements of Support, Revenue, Expenses and Changes in Fund Balances (Modified Cash Basis)

	Year Ended December 31					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total All Funds	Without Donor Restrictions	With Donor Restrictions	Total All Funds
Support, revenue and gains (losses)						
Contributions received	\$ 318,595	\$ 17,532,164	\$ 17,850,759	\$ 752,644	\$ 16,603,364	\$ 17,356,008
Investment income, net	1,096,589	6,849,427	7,946,016	2,089,146	17,328,603	19,417,749
Program initiative income	162,213	166,667	328,880	483,354	(190,981)	292,373
Administrative fee income	2,161,245	-	2,161,245	2,037,291	-	2,037,291
Non-profit resource center	3,828	-	3,828	16,520	-	16,520
Other	169,208	80,281	249,489	294,434	53,444	347,878
Net assets released from restriction	19,426,690	(19,426,690)	-	17,731,076	(17,731,076)	-
Total support, revenue, and gains	23,338,368	5,201,849	28,540,217	23,404,465	16,063,354	39,467,819
Expenses						
Program:						
Grants to charities and other non-profit institutions	17,076,522	-	17,076,522	19,306,361	-	19,306,361
Donor services	3,048,727	-	3,048,727	3,238,720	-	3,238,720
Other program	663,778	-	663,778	736,515	-	736,515
Total program	20,789,027	-	20,789,027	23,281,596	-	23,281,596
Supporting Services:						
Management and general	1,281,455	-	1,281,455	1,164,631	-	1,164,631
Total expenses	22,070,482	-	22,070,482	24,446,227	-	24,446,227
Excess (deficiency) of support, revenues, and gains over expenses	1,267,886	5,201,849	6,469,735	(1,041,762)	16,063,354	15,021,592
Transfers (Note 1)	(1,277,173)	1,277,173	-	1,154,152	(1,154,152)	-
Net (decrease) increase in fund balance	(9,287)	6,479,022	6,469,735	112,390	14,909,202	15,021,592
Fund balance, beginning of year	20,089,464	176,241,606	196,331,070	19,977,074	161,332,404	181,309,478
Fund balance, end of year	\$ 20,080,177	\$ 182,720,628	\$ 202,800,805	\$ 20,089,464	\$ 176,241,606	\$ 196,331,070

The accompanying notes are an integral part of these consolidated financial statements.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statement of Functional Expenses (Modified Cash Basis)

Year Ended December 31, 2020

	Program Services			Supporting Services	2020 Total Expenses
	Grants to Charities and Other Non-Profits	Donor Services	Other Program	Management and General	
Salaries and fringe benefits					
Salaries and wages	\$ 272,709	\$ 305,996	\$ 349,975	\$ 653,394	\$ 1,582,074
Employee benefits and payroll taxes	74,937	77,953	76,827	157,958	387,675
Total salaries and fringe benefits	347,646	383,949	426,802	811,352	1,969,749
Grants	17,724,949	-	-	-	17,724,949
Administrative fees	-	2,154,089	-	-	2,154,089
Center operations	-	-	15,380	-	15,380
Contracts and professional fees	-	15,686	113,504	101,554	230,744
Dues, memberships, and miscellaneous	600	3,297	1,175	23,289	28,361
Equipment rental and maintenance	-	-	36,265	39,526	75,791
Federal excise tax	-	3,935	-	-	3,935
Insurance	-	-	19,653	14,570	34,223
Trust related	-	253,032	-	-	253,032
Occupancy	-	-	21,765	55,967	77,732
Office	1,066	767	14,586	104,536	120,955
Postage and shipping	-	25,372	-	110	25,482
Printing, marketing, and promotion	125	175,152	3,668	24,583	203,528
Program initiative costs (Note 1)	(1,001,760)	-	-	-	(1,001,760)
Recordkeeping fees	-	20,000	-	-	20,000
Telephone	-	-	4,125	5,477	9,602
Travel, meetings, and seminars	3,438	4,846	2,906	25,649	36,839
Other	458	8,602	3,949	56,827	69,836
Total functional expenses before depreciation	17,076,522	3,048,727	663,778	1,263,440	22,052,467
Depreciation	-	-	-	18,015	18,015
Total functional expenses	\$ 17,076,522	\$ 3,048,727	\$ 663,778	\$ 1,281,455	\$ 22,070,482

The accompanying notes are an integral part of these consolidated financial statements.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statement of Functional Expenses (Modified Cash Basis)

Year Ended December 31, 2019

	Program Services			Supporting Services	2019 Total Expenses
	Grants to Charities and Other Non-Profits	Donor Services	Other Program	Management and General	
Salaries and fringe benefits					
Salaries and wages	\$ 252,953	\$ 219,228	\$ 354,283	\$ 653,343	\$ 1,479,807
Employee benefits and payroll taxes	58,720	50,891	81,430	169,300	360,341
Total salaries and fringe benefits	311,673	270,119	435,713	822,643	1,840,148
Grants	17,473,680	-	-	-	17,473,680
Administrative fees	-	2,057,425	-	-	2,057,425
Affiliated funds	-	41,659	-	-	41,659
Center operations	-	-	33,862	-	33,862
Contracts and professional fees	-	-	133,845	38,810	172,655
Dues, memberships, and miscellaneous	6,018	5,216	1,019	17,351	29,604
Equipment rental and maintenance	22,427	19,437	48,320	64,662	154,846
Federal excise tax	-	11,050	-	-	11,050
Insurance	3,529	3,058	19,400	10,175	36,162
Trust related	-	460,741	-	-	460,741
Occupancy	10,426	9,036	19,363	30,059	68,884
Office	23,174	20,085	6,394	66,815	116,468
Postage and shipping	-	21,619	-	2,400	24,019
Printing, marketing, and promotion	500	265,534	22,088	2,252	290,374
Program initiative costs (Note 1)	1,432,991	-	-	-	1,432,991
Recordkeeping fees	-	20,000	-	-	20,000
Telephone	852	739	3,744	2,456	7,791
Travel, meetings, and seminars	16,432	14,241	7,751	47,375	85,799
Other	4,659	18,761	4,912	47,864	76,196
Total functional expenses before depreciation	19,306,361	3,238,720	736,411	1,152,862	24,434,354
Depreciation	-	-	104	11,769	11,873
Total functional expenses	\$ 19,306,361	\$ 3,238,720	\$ 736,515	\$ 1,164,631	\$ 24,446,227

The accompanying notes are an integral part of these consolidated financial statements.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Business

Greater Toledo Community Foundation, Inc. ("GTCF") is a collection of individual funds that are used to accomplish the diverse philanthropic goals of its donors and meet the needs of the Northwest Ohio and Southeast Michigan communities.

The consolidated financial statements include the operations of six supporting organizations: the Andersons Fund Supporting Organization, the Oswald Supporting Organization, the Stranahan Supporting Organization, the Supporting Organization of the Toledo Community Foundation, the Tyner Family Foundation Supporting Organization, and the Solar Toledo Neighborhood Foundation Supporting Organization, three private foundations: the Algonquin Foundation, the Seneca Foundation, and the William and Elsie Knight Foundation, and two donor directed pooled funds. GTCF performs all accounting and administrative functions for the supporting organizations, private foundations, and donor directed pooled funds as well as appointing the majority of voting members to the Board of Trustees for each organization and private foundations and thereby meets the criteria to be consolidated. The supporting organizations, private foundations, and donor directed pooled funds make grants to GTCF and other outside organizations. These supporting organizations, private foundations, donor directed pooled funds, as well as pooled income funds, are set up as separate funds within GTCF, and all interfund grants are eliminated in the consolidated financial statements.

GTCF and the consolidated supporting organizations, private foundations and donor directed funds are collectively referred to herein as the "Foundation".

Basis of Accounting

The consolidated financial statements of the Foundation are maintained on a cash basis modified to include depreciation, donations of investments and property and equipment, certain other assets and borrowed debt. All other contributions and expenses, including awarded grants, are reported as received or when paid. Investments are presented at cost rather than fair value.

The Foundation accepts assets transferred from other not-for-profit organizations that are held only for the benefit of the transferor or an affiliated organization of the transferor. Title to these assets is in the name of the Foundation, which maintains variance power over such assets.

These consolidated financial statements do not make a distinction between funds which would be recognized as an increase in investments and a liability under the modified cash basis of accounting, and funds contributed directly to the Foundation by donors. All contributions and transfers from other organizations are recognized as contribution revenue when received and are included as part of the Foundation's fund balances.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Risks and Economic Uncertainties

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a global pandemic, continues to spread throughout the United States of America and the globe. Many State Governors issued temporary Executive Orders that, among other stipulations, limited in-person work activities for most enterprises, unless they have been considered an essential business. As the Foundation provides emergency grant assistance to nonprofits that are working to provide necessary resources and support to the Northwest Ohio and Southeast Michigan communities, GTCF has remained active as an essential enterprise during the outbreak. The COVID-19 outbreak has disrupted and affected the Foundation's normal activities. The extent of the ultimate impact of the pandemic on the Foundation's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on funders, program recipients, employees, vendors, and other constituents, all of which cannot be reasonably predicted at this time. In addition, the current environment may place additional demands on the Foundation for providing immediate financial support and/or services to its program recipients. While management reasonably expects the COVID-19 outbreak to impact the Foundation's consolidated financial position, changes in fund balance, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration is highly uncertain.

In April 2020, the Foundation secured proceeds in the amount of \$303,400 through the Paycheck Protection Program ("PPP"), obtained through the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which was enacted into law on March 28, 2020. The loan has a two year maturity and is subject to a 1% interest rate. As of December 31, 2020, the loan proceeds had been fully spent on eligible expenses. There are certain provisions with the PPP which permit the Foundation to have this "loan" fully forgiven based on specific stipulations within the agreement.

Use of Estimates

The preparation of consolidated financial statements, in conformity with a comprehensive basis of accounting other than GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of cash receipts and disbursements and other changes in fund balances during the reporting period. Actual results could differ from those estimates.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Fund Balances

Resources of the Foundation are classified into fund balance categories based on the limitations and restrictions placed on the contributions and gifts received. The fund balances of the Foundation are classified into the following types for financial reporting purposes:

Fund balances without donor restrictions: Fund balances without donor restrictions are available for use by the Board of Trustees for purposes they so approve. Such funds include quasi-endowment funds which represent funds the Board of Trustees has designated to operate as endowment funds.

Fund balances with donor restrictions: Fund balances with donor restrictions represent contributions received whereby the donors have specified that the funds be held by the Foundation strictly in a fiduciary manner for a specified purpose.

Cash

The Foundation maintains cash deposits with financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to specified limits; however, balances in excess of FDIC limits are uninsured. Management does not believe the Foundation is exposed to any significant interest rate or other financial risk as a result of these deposits.

Investments, Principally in Marketable Securities

Purchased investments are carried at cost. Donated investments are valued at estimated fair value on the dates received. Gains and losses are recognized only when such investments are sold. Investment return is presented net of external investment expenses.

Of the total investment return collected less investment fees, a portion is internally classified as administrative fee income. The Foundation's operating funds charge certain other funds an annual administrative fee ranging from .50% to .95% for 2020 and 2019 of each fund's average market value over preceding 20 quarters. There is a minimum fee of \$100 and a discounted administrative fee percentage of .10% for the portion of average market value that exceeds \$2,500,000. Donor advised growth funds are annually charged 1.45% of each fund's highest quarterly market value.

Depreciation

Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the individual assets, ranging from three to twenty-five years.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Functional Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statements of support, revenues, expenses and changes in fund balances. The consolidated statements of functional expenses presents the natural classification detail of expenses by function.

Functional expenses are those expenses incurred by the Foundation in the accomplishment of its stated mission. They can further be categorized as follows:

- Program services, including awarded grants, services to other non-profits, philanthropic leadership, and community leadership;
- Management and general, including expenses that benefit the Foundation as an entity and the management and accounting for funds.

Expenses which apply to more than one functional category have been allocated among program and management and general activities based on the time spent on these functions by specific employees as estimated by management.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). See Notes 3 and 4 relating to the tax treatment of Donor Directed Pooled and Private Foundation Funds.

In a Private Letter Ruling dated May 15, 2008, the Internal Revenue Service ("IRS") stated that fees charged by the Foundation to unrelated tax exempt organizations for providing certain administrative and clerical services constitute unrelated business income under Section 512 of the IRC. For 2020 and 2019, management does not believe the Foundation had any taxable income from such services.

The federal tax returns for 2017 through 2020 are subject to examination by the IRS, which is generally for three years after they were filed. The Foundation has evaluated uncertain tax positions and believes there are no such positions of significance at December 31, 2020 and 2019 that are required to be disclosed in these consolidated financial statements.

Spending Policy

The grant spending guideline for any fund is based on an estimated real rate of return less the Foundation's operating funds allocated administrative fee. The estimated real rate of return is based on projected long-term average annual nominal rates of return less the projected average annual inflation

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Change in Accounting Estimate

In 2019, the Foundation received funds that were used to explore the viability of a solar array project and incurred preliminary costs of \$1,195,010. Additionally, the Foundation received donated property and equipment related to the solar array project valuing \$1,399,498 (see Note 10). As of December 31, 2019, due to the uncertainty of the project, the Foundation reported these amounts as program initiative costs and other investments, respectively, in the consolidated financial statements. In 2020, new circumstances made the project become viable and it was completed in December 2020. As a result, the Foundation reduced program initiative costs by \$1,195,010 in the 2020 consolidated statement of functional expenses to properly capitalize as net property and equipment. Also, the remaining \$1,399,498 was reclassified from other investments to net property and equipment on the consolidated statement of assets, liabilities and fund balances (modified cash basis) as of December 31, 2020 (Note 10).

Reclassifications

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

Subsequent Events

In preparing these consolidated financial statements, the Foundation has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2020, the most recent consolidated statement of assets, liabilities and fund balances (modified cash basis) presented herein, through May 26, 2021, the date these consolidated financial statements were available to be issued. No such significant events or transactions were identified, other than the matters described in Note 16.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or board restrictions limiting their use, within one year of the statement of assets, liabilities and fund balances (modified cash basis), comprise the following as of December 31:

	2020	2019
Operating Fund - cash and cash equivalents	\$ 1,303,181	\$ 874,907
Operating Fund - money market funds	1,205,431	1,180,501
Note receivable - current portion	971,425	945,731
Financial assets available to meet cash needs general expenditures within one year	\$ 3,480,037	\$ 3,001,139

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

The Foundation has \$3,480,037 and \$3,001,139 as of December 31, 2020 and 2019, respectively, of financial assets available within one year of the statement of assets, liabilities and fund balances (modified cash basis) date to meet cash needs for general expenditures. The Foundation manages its liquidity required to meet its operating needs while also seeking to maximize earnings on its available funds by investing excess cash.

Most funds that are not endowed are invested in the Foundation's money market funds. Funds held in the money market fund are subject to withdrawal at any time. Capital preservation and liquidity are paramount.

Funds that are endowed or that operate according to the spending policy for grantmaking, are generally invested in the Foundation's investment pool. The amount available for grantmaking is determined on an annual basis. This amount is calculated according to the Foundation's spending policy, which is currently 3.80% - 4.25% of the funds' average market value over the preceding 20 quarters.

The Foundation's Board of Trustees has chosen to charge an administrative fee to all funds as described in Note 1 to cover general expenditures required to operate the Foundation. The fees, assessed on a quarterly basis, are reflected as administrative fee income (operating fund) in the consolidated statement of support, revenue, expenses and changes in fund balances (modified basis).

3. COMPONENT FUNDS

Component funds are established by various donors for the broad-based charitable benefit of the community.

Certain component funds are subject to restrictions of trust instruments, Deeds of Gift or other donor agreements. Generally, the principal of such funds remains invested and grant distributions are made based upon the Foundation's spending guidelines. The spending guideline was 4.75% for 2020 and 2019, less the Foundation operating funds administrative fee, resulting in spending guidelines ranging from 3.80% to 4.25%. In determining distributable amounts, the percentage is applied to the average market value of each fund's preceding 20 quarters.

Unless otherwise provided by the donor, the Board of Trustees of the Foundation may, by unanimous vote, approve for distribution an amount not to exceed 30% of the principal of any fund during a period of five consecutive years.

While income from the component funds is generally available for the discretionary use of the Foundation by action of the Board of Trustee, the donors of certain funds have restricted the use of income to purposes designated in the trust instrument, Deeds of Gift or other donor agreements.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

4. DONOR DIRECTED POOLED FUNDS

Donor directed pooled funds are separate entities created by the Board of Trustees and classified as private foundations by the IRS.

Contributors of donor directed pooled funds have the absolute right to designate annually the charities that are to receive the income from their respective funds. The net investment income of donor directed pooled funds, including realized gains or losses, is subject to a federal excise tax.

5. PRIVATE FOUNDATION FUNDS

The private foundation funds are considered private foundations by the IRS. The contributors of these funds have reserved the right to advise the Foundation annually as to which charities are to receive the income from their respective funds. The net investment income of private foundation funds, including net realized gains or losses, is subject to a federal excise tax.

6. SUPPORT ORGANIZATION FUNDS

Support organization funds are public charities classified as supporting organizations under Section 509(a)(3) of the IRC. The Foundation appoints the majority of the members of each supporting organization's Board of Trustees and the donor appoints a minority of the members. Each supporting organization's Board of Trustees determines which non-profits (in Northwest Ohio and Southeast Michigan) are to receive the annual income available for grants.

7. POOLED INCOME FUNDS

Pooled income funds are split-interest trusts that pay income annually to participating donors or other named beneficiaries. At the death of each participating donor and any other named beneficiaries, the remaining monies are distributed to a component fund of the Foundation with the income from such fund to be used for grant making purposes in Northwest Ohio and Southeast Michigan. During 2020, the pooled income fund was closed upon the death of the pool's last active participant.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

8. SECURITY INVESTMENTS

Cost and market values of security investments consists of the following at December 31:

	2020		2019	
	Cost	Market	Cost	Market
Vanguard Index Total				
Stock Market Portfolio	\$ 44,992,719	\$ 187,367,845	\$ 43,815,268	\$ 158,479,555
Vanguard FTSE All-World				
EX-US Index Fund	92,337,221	120,476,637	88,314,038	105,015,478
DFA Global Fixed Income	22,135,955	22,348,885	23,674,801	23,529,349
Vanguard Bond Index Fund	20,187,899	22,315,455	22,329,128	23,510,472
Vanguard Short-Term				
Bond Index Fund	877,118	924,532	904,052	926,645
Exchange-traded funds	1,299,347	1,665,698	-	-
Money market funds	9,726,892	9,726,892	4,538,631	4,538,631
Certificates of deposit	-	-	643,917	643,917
UBS Investment Partnership	1,251,656	1,598,256	3,147,347	3,624,793
Mutual and common				
trust funds (bank funds)	141,393	163,530	143,832	155,134
Stock in transit	57,268	57,268	112,709	112,709
Other	236,145	236,145	6,583	6,830
Total	\$ 193,243,613	\$ 366,881,143	\$ 187,630,306	\$ 320,543,513

From time-to-time, certain donor-restricted funds may have fair values less than the amount required to be maintained by donors. The Foundation may permit spending from such "underwater" endowments in accordance with prudent measures required under state law. At December 31, 2020 and December 31, 2019, there were no such underwater endowments or deficiencies.

The Foundation invests principally in various marketable securities. Investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment holdings, it is at least reasonably possible that changes in the fair values will occur in the near term and that such changes may be material.

9. NOTE RECEIVABLE

In December 2018, the Foundation was gifted \$2,610,000 of stock in a closely held business. The shares were subsequently sold in accordance with a redemption agreement and converted to a note receivable agreement on January 15, 2019. The Foundation will receive eleven quarterly payments of \$246,954 including principal and annual interest at 2.69% beginning April 2019 through October 2021.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

10. OTHER INVESTMENTS

In 2017, the Foundation received assets in the form of a baseball field complex. The asset was recorded at a value of \$2,350,000 based on estimated fair value determined by a real estate appraiser (Note 16).

In 2019, the Foundation received donated property and equipment related to a solar array project. The donated property and equipment were recorded at the estimated fair market value of \$1,399,498. As described in Note 1, the donated property and equipment in other investments were reclassified to net property and equipment in 2020.

11. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following components at December 31:

	2020	2019
Property and equipment		
Solar array field	\$ 4,600,730	\$ -
Furniture and equipment	469,610	439,124
Software	50,522	50,522
	<u>5,120,862</u>	<u>489,646</u>
Total	5,120,862	489,646
Less accumulated depreciation	<u>407,957</u>	<u>414,440</u>
Net property and equipment	<u>\$ 4,712,905</u>	<u>\$ 75,206</u>

12. FUND BALANCES CLASSIFICATIONS

The bylaws of the Foundation include a variance provision and powers of modification, giving the Board of Trustees the power to vary the use of funds. Based on these provisions the Foundation's fund balances without donor restrictions consist of the following amounts at December 31:

	2020	2019
Operating Funds	\$ 2,304,387	\$ 2,125,614
Quasi-Endowment Funds	2,671,135	2,781,616
Component Funds	<u>15,104,655</u>	<u>15,182,234</u>
Total	<u>\$ 20,080,177</u>	<u>\$ 20,089,464</u>

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Fund balances with donor restrictions consist of the following amounts at December 31:

	2020	2019
Component Funds	\$ 149,374,260	\$ 147,734,867
Donor Directed Pool Funds	6,172,819	3,822,774
Private Foundation Funds	2,312,627	2,162,020
Support Organization Funds	24,860,922	22,511,178
Pooled Income Funds	-	10,767
Total	\$ 182,720,628	\$ 176,241,606

13. BANK REVOLVING NOTE PAYABLE

In 2020, the Foundation obtained an unsecured \$1,500,000 bank revolving note due June 30, 2024 to be used for the solar array field. Interest at 4% is payable monthly. Interest expense was \$2,273 in 2020.

14. LEASE COMMITMENT

The Foundation leases its office space under a non-cancelable operating lease which expires in October 2023. Rent expense was \$77,732 and \$68,884 in 2020 and 2019 respectively. The following is a schedule of annual future minimum lease payments required under this lease for the years succeeding December 31, 2020:

Year	Amount
2021	\$ 75,401
2022	78,655
2023	67,806
Total	\$ 221,862

15. BENEFIT PLANS

The Foundation sponsors a 403(b) defined contribution plan that covers substantially all of its employees. Contributions for eligible employees include an employer-based contribution equal to 2% of the employee's compensation. An additional matching contribution is made by the Foundation equal to the lesser of 100% of the employee's compensation deferral or 3% of the employee's compensation. Contributions by the Foundation for defined contribution plans in 2020 and 2019 were \$66,551 and \$62,337, respectively.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

The Foundation sponsors a Supplemental Executive Retirement Plan (SERP) that covers certain highly compensated and management employees. The SERP is a deferred compensation plan under Section 457(f) that the Foundation makes contributions for the benefit of the participants, provided that the amounts deferred are subject to and payable upon satisfying a substantial risk of forfeiture. Contributions include 15% of plan year compensation for the participants. Contributions by the Foundation for 2020 and 2019 were \$54,686 and \$53,115, respectively.

16. SUBSEQUENT EVENTS

In April, 2021, the Foundation signed an agreement with a private school for the school to assume ownership and operations of the baseball field complex presently included in the Foundation's real estate investments (Note 10). The complex will be turned over to the private school in the form of a noncash grant.

On May 12, 2021, the Foundation received forgiveness for the PPP loan described in Note 1. Additionally, in April 2021, the Foundation secured proceeds of another \$303,400 through a second PPP loan.

■ ■ ■ ■ ■

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

May 26, 2021

Board of Trustees
Greater Toledo Community Foundation, Inc.
Toledo, Ohio

We have audited the consolidated financial statements of ***Greater Toledo Community Foundation, Inc.*** as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated May 26, 2021, which expressed an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements which were prepared using the modified cash basis method of accounting. Such information has not been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, accordingly, we do not express an opinion nor provide any assurance on it.

Rehmann Lobson LLC

Rehmann is an independent member of Nexia International.



7124 W. Central Ave, Toledo, OH 43617 419.865.8118

**SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

GREATER TOLEDO COMMUNITY FOUNDATION, INC.
Consolidating Schedule of Assets, Liabilities and Fund Balances (Modified Cash Basis)

December 31, 2020

ASSETS	2020								Total All Funds
	Without Donor Restrictions			With Donor Restrictions					
	Operating Funds	Quasi- Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Pooled Income Funds	
Cash									
Demand deposits	\$ 1,303,181	\$ -	\$ -	\$ 679,381	\$ 380,654	\$ -	\$ 15,801	\$ -	\$ 2,379,017
Security investments, at cost									
Vanguard Index Total Stock Market Portfolio	-	629,145	3,493,562	33,652,879	1,681,093	654,468	4,881,572	-	44,992,719
Vanguard FTSE All-World EX-US Index Fund	-	1,305,379	7,349,743	72,096,119	1,583,109	1,076,983	8,925,888	-	92,337,221
DFA Global Fixed Income Fund	-	315,130	1,749,875	16,856,242	436,829	294,245	2,483,634	-	22,135,955
Vanguard Bond Index Fund	-	286,542	1,591,134	15,327,116	416,550	275,771	2,290,786	-	20,187,899
Vanguard Short-Term Bond Index Fund	-	-	261,514	615,604	-	-	-	-	877,118
Money market funds	1,205,431	134,939	655,882	5,607,366	1,674,584	11,160	437,530	-	9,726,892
Exchange-traded funds	-	-	-	1,299,347	-	-	-	-	1,299,347
UBS Investment Partnership	-	-	-	1,251,656	-	-	-	-	1,251,656
Mutual and common trust funds (bank funds)	-	-	-	141,393	-	-	-	-	141,393
Stock in transit	-	-	-	57,268	-	-	-	-	57,268
Other	-	-	2,945	233,200	-	-	-	-	236,145
Total security investments	1,205,431	2,671,135	15,104,655	147,138,190	5,792,165	2,312,627	19,019,410	-	193,243,613
Net property and equipment	112,175	-	-	-	-	-	4,600,730	-	4,712,905
Note receivable	-	-	-	971,425	-	-	-	-	971,425
Other investments									
Real estate	-	-	-	-	-	-	2,350,000	-	2,350,000
Other	-	-	-	585,264	-	-	-	-	585,264
Total other investments	-	-	-	585,264	-	-	2,350,000	-	2,935,264
Total assets	\$ 2,620,787	\$ 2,671,135	\$ 15,104,655	\$ 149,374,260	\$ 6,172,819	\$ 2,312,627	\$ 25,985,941	\$ -	\$ 204,242,224
LIABILITIES AND FUND BALANCES									
Liabilities									
Accrued expenses	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000
PPP loan	303,400	-	-	-	-	-	-	-	303,400
Bank revolving loan	-	-	-	-	-	-	1,125,019	-	1,125,019
Total liabilities	316,400	-	-	-	-	-	1,125,019	-	1,441,419
Fund balances									
Without donor restrictions	2,304,387	2,671,135	15,104,655	-	-	-	-	-	20,080,177
With donor restrictions	-	-	-	149,374,260	6,172,819	2,312,627	24,860,922	-	182,720,628
Total fund balances	2,304,387	2,671,135	15,104,655	149,374,260	6,172,819	2,312,627	24,860,922	-	202,800,805
Total liabilities and fund balances	\$ 2,620,787	\$ 2,671,135	\$ 15,104,655	\$ 149,374,260	\$ 6,172,819	\$ 2,312,627	\$ 25,985,941	\$ -	\$ 204,242,224

See independent auditors' report on supplementary information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.
Consolidating Schedule of Assets, Liabilities and Fund Balances (Modified Cash Basis)

December 31, 2019

	2019								
	Without Donor Restrictions			With Donor Restrictions					Total All Funds
	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Pooled Income Funds	
ASSETS									
Cash									
Demand deposits	\$ 874,907	\$ -	\$ 44,826	\$ 1,140,734	\$ 35,196	\$ -	\$ 11,455	\$ -	\$ 2,107,118
Security investments, at cost									
Vanguard Index Total Stock Market Portfolio	-	650,236	3,477,247	32,576,913	1,401,205	582,934	5,126,733	-	43,815,268
Vanguard FTSE All-World EX-US Index Fund	-	1,344,533	7,237,006	68,506,269	1,473,404	1,057,725	8,695,101	-	88,314,038
DFA Global Fixed Income Fund	-	366,293	1,958,811	18,351,301	355,792	268,012	2,374,592	-	23,674,801
Vanguard Bond Index Fund	-	345,423	1,847,205	17,305,714	337,869	252,007	2,237,877	3,033	22,329,128
Vanguard Short-Term Bond Index Fund	-	-	243,629	660,423	-	-	-	-	904,052
Money market funds	536,584	75,131	373,510	3,016,267	219,308	1,342	315,922	567	4,538,631
Certificates of Deposit	643,917	-	-	-	-	-	-	-	643,917
UBS Investment Partnership	-	-	-	3,147,347	-	-	-	-	3,147,347
Mutual and common trust funds (bank funds)	-	-	-	143,832	-	-	-	-	143,832
Stock in transit	-	-	-	112,709	-	-	-	-	112,709
Other	-	-	-	-	-	-	-	6,583	6,583
Total security investments	1,180,501	2,781,616	15,137,408	143,820,775	3,787,578	2,162,020	18,750,225	10,183	187,630,306
Net property and equipment	75,206	-	-	-	-	-	-	-	75,206
Note receivable	-	-	-	1,917,156	-	-	-	-	1,917,156
Other Investments									
Real estate	-	-	-	-	-	-	3,749,498	-	3,749,498
Other	-	-	-	856,202	-	-	-	584	856,786
Total other investments	-	-	-	856,202	-	-	3,749,498	584	4,606,284
Total assets	\$ 2,130,614	\$ 2,781,616	\$ 15,182,234	\$ 147,734,867	\$ 3,822,774	\$ 2,162,020	\$ 22,511,178	\$ 10,767	\$ 196,336,070
LIABILITIES AND FUND BALANCES									
Liabilities									
Accrued expenses	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Total liabilities	5,000	-	-	-	-	-	-	-	5,000
Fund balances									
Without donor restrictions	2,125,614	2,781,616	15,182,234	-	-	-	-	-	20,089,464
With donor restrictions	-	-	-	147,734,867	3,822,774	2,162,020	22,511,178	10,767	176,241,606
Total fund balances	2,125,614	2,781,616	15,182,234	147,734,867	3,822,774	2,162,020	22,511,178	10,767	196,331,070
Total liabilities and fund balances	\$ 2,130,614	\$ 2,781,616	\$ 15,182,234	\$ 147,734,867	\$ 3,822,774	\$ 2,162,020	\$ 22,511,178	\$ 10,767	\$ 196,336,070

See independent auditors' report on supplementary information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.
Consolidating Schedule of Support, Revenue, and Expenses (Modified Cash Basis)

Year Ended December 31, 2020

	2020									
	Without Donor Restrictions			With Donor Restrictions				Eliminations	Total All Funds	
	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds			Pooled Income Funds
Support, revenue and gains (losses)										
Contributions received	\$ 289,840	\$ -	\$ 28,755	\$ 13,736,107	\$ 3,796,057	\$ -	\$ -	\$ -	\$ -	\$ 17,850,759
Intercompany contributions	2,100,888	-	600	426,692	10,000	-	739,984	-	(3,278,164)	-
Investment income, net	17,989	166,909	911,691	5,087,862	269,629	355,168	1,135,848	920	-	7,946,016
Program initiative income	162,213	-	-	-	-	-	166,667	-	-	328,880
Administrative fee income	2,161,245	-	-	-	-	-	-	-	-	2,161,245
Funds released for operations	276,978	(276,978)	-	-	-	-	-	-	-	-
Non-profit resource center	3,828	-	-	-	-	-	-	-	-	3,828
Other	169,208	-	-	80,281	-	-	-	-	-	249,489
Total support, revenue and gains (losses)	5,182,189	(110,069)	941,046	19,330,942	4,075,686	355,168	2,042,499	920	(3,278,164)	28,540,217
Expenses										
Grants to charities and other non-profit institutions	83,954	-	326,549	15,184,203	1,251,774	147,500	730,969	-	-	17,724,949
Intercompany grants	2,069,157	-	146,286	570,500	429,835	18,196	44,190	-	(3,278,164)	-
Administrative	2,885,169	-	-	-	-	-	-	-	-	2,885,169
Administrative fees	-	-	218,057	1,767,723	40,412	31,865	96,032	-	-	2,154,089
Federal excise tax	-	-	-	-	-	2,800	-	-	-	2,800
Non-profit resource center	15,380	-	-	-	-	-	-	-	-	15,380
Program initiative costs	(1,001,760)	-	-	-	-	-	-	-	-	(1,001,760)
Other	-	412	2,076	262,973	3,620	4,200	16,574	-	-	289,855
Total expenses	4,051,900	412	692,968	17,785,399	1,725,641	204,561	887,765	-	(3,278,164)	22,070,482
Excess (deficiency) of support, revenue and gains (losses) over expenses	\$ 1,130,289	\$ (110,481)	\$ 248,078	\$ 1,545,543	\$ 2,350,045	\$ 150,607	\$ 1,154,734	\$ 920	\$ -	\$ 6,469,735

See independent auditors' report on supplementary information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.
Consolidating Schedule of Support, Revenue, and Expenses (Modified Cash Basis)

Year Ended December 31, 2019

	2019									
	Without Donor Restrictions			With Donor Restrictions				Eliminations	Total All Funds	
	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds			Pooled Income Funds
Support, revenue and gains										
Contributions received	\$ 382,419	\$ -	\$ 370,225	\$ 14,035,271	\$ 2,001,125	\$ -	\$ 566,968	\$ -	\$ -	\$ 17,356,008
Intercompany contributions	-	-	-	-	-	-	832,529	-	(832,529)	-
Investment income, net	19,606	341,025	1,728,515	14,580,443	201,651	375,593	2,170,916	-	-	19,417,749
Program initiative income	483,354	-	-	(190,981)	-	-	-	-	-	292,373
Administrative fee income	2,037,291	-	-	-	-	-	-	-	-	2,037,291
Funds released for operations	268,219	(268,219)	-	-	-	-	-	-	-	-
Non-profit resource center	16,520	-	-	-	-	-	-	-	-	16,520
Other	294,370	-	64	53,444	-	-	-	-	-	347,878
Total support, revenue and gains	3,501,779	72,806	2,098,804	28,478,177	2,202,776	375,593	3,570,413	-	(832,529)	39,467,819
Expenses										
Grants to charities and other non-profit institutions	84,849	-	2,049,910	13,379,800	1,773,642	187,111	(1,632)	-	-	17,473,680
Intercompany grants	-	-	-	-	-	-	832,529	-	(832,529)	-
Administrative	2,901,829	-	-	-	-	-	-	-	-	2,901,829
Administrative fees	-	-	209,231	1,686,146	36,135	31,485	94,428	-	-	2,057,425
Federal excise tax	-	-	-	-	6,000	5,050	-	-	-	11,050
Affiliated fund expenses	-	-	-	41,659	-	-	-	-	-	41,659
Non-profit resource center	33,862	-	-	-	-	-	-	-	-	33,862
Program initiative costs	1,432,991	-	-	-	-	-	-	-	-	1,432,991
Other	-	419	2,060	471,763	2,784	4,121	12,584	-	-	493,731
Total expenses	4,453,531	419	2,261,201	15,579,368	1,818,561	227,767	937,909	-	(832,529)	24,446,227
Excess (deficiency) of support, revenue and gains over expenses	\$ (951,752)	\$ 72,387	\$ (162,397)	\$ 12,898,809	\$ 384,215	\$ 147,826	\$ 2,632,504	\$ -	\$ -	\$ 15,021,592

See independent auditors' report on supplementary information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedules of Changes in Fund Balances (Modified Cash Basis)

Years Ended December 31, 2020 and 2019

	Without Donor Restrictions			With Donor Restrictions					Total All Funds
	Operating Funds	Quasi- Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Pooled Income Funds	
Fund balances, January 1, 2019	\$ 1,870,923	\$ 2,709,229	\$ 15,396,922	\$ 135,988,369	\$ 3,440,400	\$ 2,014,194	\$ 19,878,674	\$ 10,767	\$ 181,309,478
Excess (deficiency) of support, revenue and gains over expenses, as restated	(951,752)	72,387	(162,397)	12,898,809	384,215	147,826	2,632,504	-	15,021,592
Transfers	1,206,443	-	(52,291)	(1,152,311)	(1,841)	-	-	-	-
Net increase (decrease)	254,691	72,387	(214,688)	11,746,498	382,374	147,826	2,632,504	-	15,021,592
Fund balances, December 31, 2019	2,125,614	2,781,616	15,182,234	147,734,867	3,822,774	2,162,020	22,511,178	10,767	196,331,070
Excess (deficiency) of support, revenue and gains over expenses	1,130,289	(110,481)	248,078	1,545,543	2,350,045	150,607	1,154,734	920	6,469,735
Transfers	(951,516)	-	(325,657)	93,850	-	-	1,195,010	(11,687)	-
Net increase (decrease)	178,773	(110,481)	(77,579)	1,639,393	2,350,045	150,607	2,349,744	(10,767)	6,469,735
Fund balances, December 31, 2020	<u>\$ 2,304,387</u>	<u>\$ 2,671,135</u>	<u>\$ 15,104,655</u>	<u>\$ 149,374,260</u>	<u>\$ 6,172,819</u>	<u>\$ 2,312,627</u>	<u>\$ 24,860,922</u>	<u>\$ -</u>	<u>\$ 202,800,805</u>

See independent auditors' report on supplementary information.