

Greater Toledo
Community
Foundation, Inc.



Years Ended
December 31,
2022 and 2021

Consolidated
Financial
Statements
and
Supplementary
Consolidating
Information

Rehmann

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

May 30, 2023

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

Opinion

We have audited the consolidated financial statements of **Greater Toledo Community Foundation, Inc.** (the "Foundation"), which comprise the consolidated statements of assets, liabilities and fund balances — modified cash basis as of December 31, 2022 and 2021, and the related consolidated statements of support, revenue, expenses and changes in fund balances and functional expenses — modified cash basis for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated assets, liabilities and fund balances of **Greater Toledo Community Foundation, Inc.** as of December 31, 2022 and 2021, and its consolidated support, revenue, expenses and changes in fund balances for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

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

Emphasis of Matters

Basis of Accounting

We draw attention to Note 1 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the modified cash basis 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.



Change in Accounting Principle

As described in Note 1 to the consolidated financial statements, in 2022 the Foundation adopted Accounting Standards Update No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting 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.

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

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Rehmann Lobson LLC

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

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

	December 31	
	2022	2021
ASSETS		
Cash		
Demand deposits	\$ 2,086,308	\$ 2,597,785
Security investments, at cost		
Vanguard Total Stock Index Fund	39,499,895	38,454,394
Vanguard Total International Stock Index Fund	142,309,647	141,023,961
DFA Global Fixed Income Fund	29,036,320	30,189,037
Vanguard Total Bond Index Fund	28,271,995	28,868,028
Vanguard Short-Term Bond Index Fund	393,391	611,820
Money market funds	8,767,956	6,405,944
Exchange-traded funds	154,950	1,058,466
UBS Investment Partnership	1,495,857	1,460,856
Mutual and common trust funds (bank funds)	988,406	161,115
Stock in transit	-	10,202,219
Other	1,216,213	225,000
Total security investments	252,134,630	258,660,840
Net property and equipment	4,604,223	4,779,215
Note receivable (Note 8)	10,002,720	-
Other investments		
Other investment held for sale (Note 9)	1,800,360	-
Other	580,058	580,312
Total other investments	2,380,418	580,312
Total assets	\$ 271,208,299	\$ 266,618,152
LIABILITIES AND FUND BALANCES		
Liabilities		
Paycheck Protection Program loan (Note 1)	\$ -	\$ 303,400
Bank revolving loan (Note 12)	739,474	888,925
Total liabilities	739,474	1,192,325
Commitments (Notes 13 and 14)		
Fund balances		
Without donor restrictions	25,286,036	25,669,127
With donor restrictions	245,182,789	239,756,700
Total fund balances	270,468,825	265,425,827
Total liabilities and fund balances	\$ 271,208,299	\$ 266,618,152

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					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total All Funds	Without Donor Restrictions	With Donor Restrictions	Total All Funds
Support, revenue and gains						
Contributions received	\$ 193,737	\$ 20,999,274	\$ 21,193,011	\$ 181,376	\$ 27,974,533	\$ 28,155,909
Investment income, net	742,148	6,099,862	6,842,010	6,904,648	53,124,209	60,028,857
Solary array income	-	437,037	437,037	-	250,541	250,541
Administrative fee income	2,518,392	-	2,518,392	2,310,197	-	2,310,197
Non-profit resource center	19,077	-	19,077	34,957	-	34,957
Gain on extinguishment of debt (Note 1)	303,400	-	303,400	303,400	-	303,400
Other	11,856	26,875	38,731	71,759	46,495	118,254
Net assets released from restriction	22,136,959	(22,136,959)	-	24,359,706	(24,359,706)	-
Total support, revenue, and gains	25,925,569	5,426,089	31,351,658	34,166,043	57,036,072	91,202,115
Expenses						
Program services						
Grants to charities and other non-profit institutions	20,704,521	-	20,704,521	22,307,964	-	22,307,964
Donor services	3,751,020	-	3,751,020	4,225,411	-	4,225,411
Other program	235,889	-	235,889	395,693	-	395,693
Total program services	24,691,430	-	24,691,430	26,929,068	-	26,929,068
Supporting services						
Management and general	1,617,230	-	1,617,230	1,648,025	-	1,648,025
Total expenses	26,308,660	-	26,308,660	28,577,093	-	28,577,093
Net (decrease) increase in fund balance	(383,091)	5,426,089	5,042,998	5,588,950	57,036,072	62,625,022
Fund balance, beginning of year	25,669,127	239,756,700	265,425,827	20,080,177	182,720,628	202,800,805
Fund balance, end of year	\$ 25,286,036	\$ 245,182,789	\$ 270,468,825	\$ 25,669,127	\$ 239,756,700	\$ 265,425,827

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, 2022

	Program Services			Supporting Services	2022 Total Expenses
	Grants to Charities and Other Non-Profits	Donor Services	Other Program	Management and General	
Salaries and fringe benefits					
Salaries and wages	\$ 333,513	\$ 375,344	\$ 64,110	\$ 749,617	\$ 1,522,584
Employee benefits and payroll taxes	83,735	97,707	19,686	190,145	391,273
Total salaries and fringe benefits	417,248	473,051	83,796	939,762	1,913,857
Grants	20,257,837	-	-	-	20,257,837
Administrative fees	-	2,518,031	-	-	2,518,031
Center operations	-	-	18,808	-	18,808
Contracts and professional fees	-	-	27,416	34,325	61,741
Dues, memberships, and miscellaneous	604	3,549	3,714	37,464	45,331
Equipment rental and maintenance	-	-	46,502	40,864	87,366
Federal excise tax	-	-	26,177	-	26,177
Insurance	-	-	5,823	18,370	24,193
Trust related	-	223,628	-	-	223,628
Occupancy	-	-	2,400	72,248	74,648
Office	975	1,426	2,558	99,945	104,904
Postage and shipping	3	23,850	182	2,367	26,402
Printing, marketing, and promotion	-	426,124	11,007	37,923	475,054
Solar array costs	-	-	-	11,571	11,571
Recordkeeping fees	-	20,000	-	-	20,000
Telephone	-	-	498	5,219	5,717
Travel, meetings, and seminars	10,414	21,440	743	47,097	79,694
Other	17,440	39,921	6,265	33,143	96,769
Total functional expenses before depreciation	20,704,521	3,751,020	235,889	1,380,298	26,071,728
Depreciation	-	-	-	236,932	236,932
Total functional expenses	\$ 20,704,521	\$ 3,751,020	\$ 235,889	\$ 1,617,230	\$ 26,308,660

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, 2021

	Program Services			Supporting Services	2021 Total Expenses
	Grants to Charities and Other Non-Profits	Donor Services	Other Program	Management and General	
Salaries and fringe benefits					
Salaries and wages	\$ 289,429	\$ 310,657	\$ 187,179	\$ 850,322	\$ 1,637,587
Employee benefits and payroll taxes	68,223	72,208	42,354	194,917	377,702
Total salaries and fringe benefits	357,652	382,865	229,533	1,045,239	2,015,289
Grants	21,906,746	-	-	-	21,906,746
Administrative fees	-	2,288,372	-	-	2,288,372
Center operations	-	-	8,914	-	8,914
Contracts and professional fees	-	16	63,404	36,451	99,871
Dues, memberships, and miscellaneous	294	6,889	548	39,779	47,510
Equipment rental and maintenance	-	1,000	5,688	35,241	41,929
Federal excise tax	-	-	14,166	-	14,166
Insurance	-	-	9,629	16,619	26,248
Trust related	-	1,252,575	-	-	1,252,575
Occupancy	-	-	7,966	65,639	73,605
Office	733	2,592	4,311	93,714	101,350
Postage and shipping	8	20,618	728	2,558	23,912
Printing, marketing, and promotion	149	222,403	713	10,422	233,687
Program initiative costs	21,793	-	-	-	21,793
Recordkeeping fees	-	10,000	-	-	10,000
Telephone	-	-	2,021	5,356	7,377
Travel, meetings, and seminars	4,244	7,815	26	37,387	49,472
Other	16,345	30,266	48,046	26,259	120,916
Total functional expenses before depreciation	22,307,964	4,225,411	395,693	1,414,664	28,343,732
Depreciation	-	-	-	233,361	233,361
Total functional expenses	\$ 22,307,964	\$ 4,225,411	\$ 395,693	\$ 1,648,025	\$ 28,577,093

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 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Consolidation

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, and donor directed pooled funds, are set up as separate funds within GTCF, and all significant interfund transactions have been eliminated in consolidation.

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)

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.

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. Fund balances with donor restrictions are released when a restriction expires, that is, when the stipulated purpose for which the resource was restricted has been fulfilled.

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 2022 and 2021 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.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

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.

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 present 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 4 and 5 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 2022 and 2021, management does not believe the Foundation had any taxable income from such services.

The federal tax returns for 2019 through 2022 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, 2022 and 2021 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 rate.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Gain on Extinguishment of Debt

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. In May 2021, the Foundation received full forgiveness of the PPP loan under the terms of the CARES Act program. Forgiveness of the PPP loan is recognized as gain on extinguishment of debt on the 2021 consolidated statement of support, revenue, expenses and changes in fund balances (modified cash basis).

On December 27, 2020, the Consolidated Appropriations Act, 2021 ("CAA") was signed into law. This law allowed a second draw of the PPP if certain criteria were met. In April 2021, the Foundation applied for a second draw under the provisions of the CAA and obtained additional funds of \$303,400 under an unsecured promissory note. In June 2022, the Foundation received full forgiveness of the PPP loan under the terms of the CARES Act program. Forgiveness of the PPP loan is recognized as gain on extinguishment of debt on the 2022 consolidated statement of support, revenue, expenses and changes in fund balances (modified cash basis).

Reclassification

Certain amounts as reported in the 2021 consolidated financial statements have been reclassified to conform with the 2022 presentation.

Recent Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosures of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets, information about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021. The Foundation adopted the standard on January 1, 2022. Adoption of this standard did not have a significant impact on the Foundation's consolidated financial statements.

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, 2022, the most recent consolidated statement of assets, liabilities and fund balances (modified cash basis) presented herein, through May 30, 2023, the date these consolidated financial statements were available to be issued. No such significant events or transactions were identified, other than the matter described in Note 9.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

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 consolidated statement of assets, liabilities and fund balances (modified cash basis), comprise the following as of December 31:

	2022	2021
Operating fund - cash	\$ 862,984	\$ 791,572
Operating fund - money market funds	1,457,394	1,447,755
Note receivable scheduled to be collected within the next year	875,000	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,195,378	\$ 2,239,327

The Foundation has \$3,195,378 and \$2,239,327 as of December 31, 2022 and 2021, respectively, of financial assets available within one year of the consolidated 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 statements 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 2022 and 2021, 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.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

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.

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 IRC.

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 IRC. 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.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

7. SECURITY INVESTMENTS

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

	2022		2021	
	Cost	Market	Cost	Market
Vanguard Total Stock Index Fund	\$ 39,499,895	\$ 165,393,527	\$ 38,454,394	\$ 207,936,501
Vanguard Total International Stock Index Fund	142,309,647	114,840,914	141,023,961	138,714,075
DFA Global Fixed Income Fund	29,036,320	26,403,409	30,189,037	29,863,341
Vanguard Total Bond Index Fund	28,271,995	24,923,846	28,868,028	29,996,496
Vanguard Short-Term Bond Index Fund	393,391	378,043	611,820	630,969
Money market funds	8,767,956	8,767,956	6,405,944	6,405,943
Exchange-traded funds	154,950	139,575	1,058,466	1,595,941
UBS Investment Partnership	1,495,857	1,434,666	1,460,856	1,782,219
Mutual and common trust funds (bank funds)	988,406	1,172,593	161,115	179,331
Stock in transit	-	-	10,202,219	10,202,219
Other	1,216,213	1,216,213	225,000	225,000
Total	\$ 252,134,630	\$ 344,670,742	\$ 258,660,840	\$ 427,532,035

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, 2022, funds with original gift values of \$4,635,673, fair values of \$3,810,037 and deficiencies of \$825,636 were reported in net assets with donor restrictions. At December 31, 2021, 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.

8. NOTE RECEIVABLE

In September 2021, the Foundation was gifted \$10,002,720 of stock in a closely held business. The stock was subsequently sold in accordance with a redemption agreement and converted to a note receivable agreement effective March 31, 2022. The Foundation will receive 40 quarterly payments of \$125,000 including principal and annual interest at 2.5% beginning June 2022 through March 2032. The remaining balance will be a lump sum payment due at maturity.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

9. OTHER INVESTMENT HELD FOR SALE AND SUBSEQUENT EVENT

In December 2022, the Foundation was gifted 3,326 shares (50.01% ownership) in a private golf club. The real estate assets of the private golf club had an estimated fair value of \$5,000,000 determined by a real estate appraiser at the time of the donation. The private golf club was listed for sale as of December 31, 2022 and subsequently sold for \$3,600,000 in April 2023. Accordingly, the Foundation recorded its donation of the 50.01% ownership interest in the private golf club at the fair value of the investment held for sale in the amount \$1,800,360, which reflects the net proceeds expected to be received, in 2022. A portion of the proceeds received were in the form on a promissory note effective April 14, 2023. The Foundation will receive 36 monthly payments of \$4,505 including principal and annual interest at 5% beginning May 2023 through April 2027. The remaining balance will be a lump sum payment due at maturity.

10. PROPERTY AND EQUIPMENT

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

	2022	2021
Property and equipment		
Solar array field	\$ 4,909,905	\$ 4,888,225
Leasehold improvements	267,153	227,653
Furniture and equipment	252,763	252,003
Software	50,522	50,522
	<hr/>	<hr/>
Total	5,480,343	5,418,403
Less accumulated depreciation	876,120	639,188
	<hr/>	<hr/>
Net property and equipment	\$ 4,604,223	\$ 4,779,215

11. 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:

	2022	2021
Operating Funds	\$ 2,406,025	\$ 2,022,446
Quasi-Endowment Funds	3,406,056	3,593,284
Component Funds	19,473,955	20,053,397
	<hr/>	<hr/>
Total	\$ 25,286,036	\$ 25,669,127

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:

	2022	2021
Component Funds	\$ 205,724,327	\$ 201,404,739
Donor Directed Pool Funds	6,926,304	7,460,043
Private Foundation Funds	2,836,329	2,816,389
Support Organization Funds	29,695,829	28,075,529
Total	\$ 245,182,789	\$ 239,756,700

12. 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 \$33,273 and \$45,304 in 2022 and 2021, respectively.

13. LEASE COMMITMENT

The Foundation leases its office space under a non-cancelable operating lease which expires in October 2033. Rent expense was \$74,648 and \$73,605 in 2022 and 2021, respectively. The following is a schedule of annual future minimum lease payments required under this lease for the years succeeding December 31, 2022:

Year	Amount
2023	\$ 81,307
2024	81,037
2025	81,037
2026	81,037
2027	81,037
Thereafter	545,942
Total	\$ 951,397

14. 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 2022 and 2021 were \$64,225 and \$58,351, 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 2022 and 2021 were \$59,620 and \$56,211, respectively.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY CONSOLIDATING INFORMATION

May 30, 2023

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, 2022 and 2021, and have issued our report thereon dated May 30, 2023, 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



**SUPPLEMENTARY CONSOLIDATING INFORMATION
(PREPARED AND PRESENTED USING THE MODIFIED
CASH BASIS OF ACCOUNTING) FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Assets, Liabilities and Fund Balances (Modified Cash Basis)

December 31, 2022

		2022							
		Without Donor Restrictions			With Donor Restrictions			Total All Funds	
ASSETS		Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds		Support Organization Funds
Cash									
	Demand deposits	\$ 862,984	\$ -	\$ -	\$ 876,669	\$ 5,000	\$ -	\$ 341,655	\$ 2,086,308
Security investments, at cost									
	Vanguard Total Stock Index Fund	-	515,559	2,944,772	28,584,146	2,588,315	616,379	4,250,724	39,499,895
	Vanguard Total International Stock Index Fund	-	1,999,322	11,419,742	110,848,510	2,847,130	1,608,443	13,586,500	142,309,647
	DFA Global Fixed Income Fund	-	409,654	2,339,864	22,712,465	522,486	295,952	2,755,899	29,036,320
	Vanguard Total Bond Index Fund	-	397,766	2,271,964	22,053,370	561,614	304,773	2,682,508	28,271,995
	Vanguard Short-Term Bond Index Fund	-	-	16,842	376,549	-	-	-	393,391
	Money market funds	1,457,394	83,755	480,771	5,834,414	401,759	10,782	499,081	8,767,956
	Exchange-traded funds	-	-	-	154,950	-	-	-	154,950
	UBS Investment Partnership	-	-	-	1,495,857	-	-	-	1,495,857
	Mutual and common trust funds (bank funds)	-	-	-	988,406	-	-	-	988,406
	Other	-	-	-	1,216,213	-	-	-	1,216,213
	Total security investments	1,457,394	3,406,056	19,473,955	194,264,880	6,921,304	2,836,329	23,774,712	252,134,630
	Net property and equipment	85,647	-	-	-	-	-	4,518,576	4,604,223
	Note receivable	-	-	-	10,002,720	-	-	-	10,002,720
Other investments									
	Other investment held for sale	-	-	-	-	-	-	1,800,360	1,800,360
	Other	-	-	-	580,058	-	-	-	580,058
	Total other investments	-	-	-	580,058	-	-	1,800,360	2,380,418
	Total assets	\$ 2,406,025	\$ 3,406,056	\$ 19,473,955	\$ 205,724,327	\$ 6,926,304	\$ 2,836,329	\$ 30,435,303	\$ 271,208,299
LIABILITIES AND FUND BALANCES									
Liabilities									
	Bank revolving loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,474	\$ 739,474
	Total liabilities	-	-	-	-	-	-	739,474	739,474
Fund balances									
	Without donor restrictions	2,406,025	3,406,056	19,473,955	-	-	-	-	25,286,036
	With donor restrictions	-	-	-	205,724,327	6,926,304	2,836,329	29,695,829	245,182,789
	Total fund balances	2,406,025	3,406,056	19,473,955	205,724,327	6,926,304	2,836,329	29,695,829	270,468,825
	Total liabilities and fund balances	\$ 2,406,025	\$ 3,406,056	\$ 19,473,955	\$ 205,724,327	\$ 6,926,304	\$ 2,836,329	\$ 30,435,303	\$ 271,208,299

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Assets, Liabilities and Fund Balances (Modified Cash Basis)

December 31, 2021

		2021							
		Without Donor Restrictions			With Donor Restrictions			Total All Funds	
ASSETS		Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds		Support Organization Funds
Cash									
Demand deposits		\$ 791,572	\$ -	\$ 250	\$ 529,596	\$ 1,100,476	\$ -	\$ 175,891	\$ 2,597,785
Security investments, at cost									
Vanguard Total Stock Index Fund		-	536,139	2,988,380	27,841,836	2,171,222	613,195	4,303,622	38,454,394
Vanguard Total International Stock Index Fund		-	2,105,915	11,738,149	109,360,758	2,638,921	1,530,000	13,650,218	141,023,961
DFA Global Fixed Income Fund		-	450,959	2,513,598	23,418,425	562,233	331,145	2,912,677	30,189,037
Vanguard Total Bond Index Fund		-	431,060	2,402,680	22,385,042	552,786	317,925	2,778,535	28,868,028
Vanguard Short-Term Bond Index Fund		-	-	24,003	587,817	-	-	-	611,820
Money market funds		1,447,755	69,211	386,337	3,607,910	419,792	24,124	450,815	6,405,944
Exchange-traded funds		-	-	-	1,058,466	-	-	-	1,058,466
UBS Investment Partnership		-	-	-	1,460,856	-	-	-	1,460,856
Mutual and common trust funds (bank funds)		-	-	-	161,115	-	-	-	161,115
Stock in transit		-	-	-	10,187,606	14,613	-	-	10,202,219
Other		-	-	-	225,000	-	-	-	225,000
Total security investments		1,447,755	3,593,284	20,053,147	200,294,831	6,359,567	2,816,389	24,095,867	258,660,840
Net property and equipment		86,519	-	-	-	-	-	4,692,696	4,779,215
Other investments		-	-	-	580,312	-	-	-	580,312
Total assets		\$ 2,325,846	\$ 3,593,284	\$ 20,053,397	\$ 201,404,739	\$ 7,460,043	\$ 2,816,389	\$ 28,964,454	\$ 266,618,152
LIABILITIES AND FUND BALANCES									
Liabilities									
Paycheck Protection Program loan		\$ 303,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,400
Bank revolving loan		-	-	-	-	-	-	888,925	888,925
Total liabilities		303,400	-	-	-	-	-	888,925	1,192,325
Fund balances									
Without donor restrictions		2,022,446	3,593,284	20,053,397	-	-	-	-	25,669,127
With donor restrictions		-	-	-	201,404,739	7,460,043	2,816,389	28,075,529	239,756,700
Total fund balances		2,022,446	3,593,284	20,053,397	201,404,739	7,460,043	2,816,389	28,075,529	265,425,827
Total liabilities and fund balances		\$ 2,325,846	\$ 3,593,284	\$ 20,053,397	\$ 201,404,739	\$ 7,460,043	\$ 2,816,389	\$ 28,964,454	\$ 266,618,152

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Support, Revenue and Expenses (Modified Cash Basis)

Year Ended December 31, 2022

	2022								
	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		
Support, revenue and gains									
Contributions received	\$ 142,820	\$ -	\$ 50,917	\$ 17,001,153	\$ 2,197,761	\$ -	\$ 1,800,360	\$ -	\$ 21,193,011
Intercompany contributions	42,878	-	50,112	681,779	-	-	-	(774,769)	-
Investment income, net	2,548	124,443	615,157	5,203,535	126,184	69,048	701,095	-	6,842,010
Solar array income	-	-	-	-	-	-	437,037	-	437,037
Administrative fee income	2,518,392	-	-	-	-	-	-	-	2,518,392
Funds released for operations	311,289	(311,289)	-	-	-	-	-	-	-
Non-profit resource center	19,077	-	-	-	-	-	-	-	19,077
Gain on extinguishment of debt	303,400	-	-	-	-	-	-	-	303,400
Other	11,856	-	-	26,875	-	-	-	-	38,731
Total support, revenue and gains	3,352,260	(186,846)	716,186	22,913,342	2,323,945	69,048	2,938,492	(774,769)	31,351,658
Expenses									
Grants to charities and other non-profit institutions	68,980	-	947,730	16,293,076	2,104,063	-	843,988	-	20,257,837
Intercompany grants	-	-	-	-	674,769	-	100,000	(774,769)	-
Administrative	2,932,424	-	-	37,160	-	-	248,491	-	3,218,075
Administrative fees	-	-	234,562	2,086,291	60,367	34,745	102,066	-	2,518,031
Federal excise tax	-	-	-	502	15,875	9,800	-	-	26,177
Non-profit resource center	18,808	-	-	-	-	-	-	-	18,808
Solar array costs	-	-	-	-	-	-	11,571	-	11,571
Other	-	382	1,839	236,691	2,610	4,563	12,076	-	258,161
Total expenses	3,020,212	382	1,184,131	18,653,720	2,857,684	49,108	1,318,192	(774,769)	26,308,660
Excess (deficiency) of support, revenue and gains over expenses	\$ 332,048	\$ (187,228)	\$ (467,945)	\$ 4,259,622	\$ (533,739)	\$ 19,940	\$ 1,620,300	\$ -	\$ 5,042,998

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Support, Revenue and Expenses (Modified Cash Basis)

Year Ended December 31, 2021

	2021								Total All Funds
	Without Donor Restrictions			With Donor Restrictions				Eliminations	
	Operating Funds	Quasi- Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds		
Support, revenue and gains									
Contributions received	\$ 138,635	\$ -	\$ 42,741	\$ 24,579,511	\$ 3,344,947	\$ -	\$ 50,075	\$ -	\$ 28,155,909
Intercompany contributions	60,060	-	123,266	1,065,438	-	-	526,485	(1,775,249)	-
Investment income, net	2,711	1,209,358	5,692,579	45,032,753	1,340,329	707,846	6,043,281	-	60,028,857
Solar array income	-	-	-	-	-	-	250,541	-	250,541
Administrative fee income	2,310,197	-	-	-	-	-	-	-	2,310,197
Funds released for operations	286,812	(286,812)	-	-	-	-	-	-	-
Non-profit resource center	34,957	-	-	-	-	-	-	-	34,957
Gain on extinguishment of debt	303,400	-	-	-	-	-	-	-	303,400
Other	71,759	-	-	46,495	-	-	-	-	118,254
Total support, revenue and gains	3,208,531	922,546	5,858,586	70,724,197	4,685,276	707,846	6,870,382	(1,775,249)	91,202,115
Expenses									
Grants to charities and other non-profit institutions	187,086	-	589,722	15,552,228	2,093,344	145,500	3,338,865	-	21,906,745
Intercompany grants	472,486	-	-	50,000	1,236,423	16,340	-	(1,775,249)	-
Administrative	2,834,263	-	-	-	-	-	195,529	-	3,029,792
Administrative fees	-	-	223,167	1,880,671	54,218	32,462	97,855	-	2,288,373
Federal excise tax	-	-	-	(589)	9,255	5,500	-	-	14,166
Non-profit resource center	8,914	-	-	-	-	-	-	-	8,914
Program initiative costs	21,793	-	-	-	-	-	-	-	21,793
Other	(10,003)	397	1,962	1,282,334	4,812	4,282	23,526	-	1,307,310
Total expenses	3,514,539	397	814,851	18,764,644	3,398,052	204,084	3,655,775	(1,775,249)	28,577,093
(Deficiency) excess of support, revenue and gains over expenses	\$ (306,008)	\$ 922,149	\$ 5,043,735	\$ 51,959,553	\$ 1,287,224	\$ 503,762	\$ 3,214,607	\$ -	\$ 62,625,022

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

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

	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
Fund balances, January 1, 2021	\$ 2,304,387	\$ 2,671,135	\$ 15,104,655	\$ 149,374,260	\$ 6,172,819	\$ 2,312,627	\$ 24,860,922	\$ 202,800,805
(Deficiency) excess of support, revenue and gains over expenses	(306,008)	922,149	5,043,735	51,959,553	1,287,224	503,762	3,214,607	62,625,022
Transfers	24,067	-	(94,993)	70,926	-	-	-	-
Net (decrease) increase	<u>(281,941)</u>	<u>922,149</u>	<u>4,948,742</u>	<u>52,030,479</u>	<u>1,287,224</u>	<u>503,762</u>	<u>3,214,607</u>	<u>62,625,022</u>
Fund balances, December 31, 2021	2,022,446	3,593,284	20,053,397	201,404,739	7,460,043	2,816,389	28,075,529	265,425,827
Excess (deficiency) of support, revenue and gains over expenses	332,048	(187,228)	(467,945)	4,259,622	(533,739)	19,940	1,620,300	5,042,998
Transfers	51,531	-	(111,497)	59,966	-	-	-	-
Net increase (decrease)	<u>383,579</u>	<u>(187,228)</u>	<u>(579,442)</u>	<u>4,319,588</u>	<u>(533,739)</u>	<u>19,940</u>	<u>1,620,300</u>	<u>5,042,998</u>
Fund balances, December 31, 2022	<u>\$ 2,406,025</u>	<u>\$ 3,406,056</u>	<u>\$ 19,473,955</u>	<u>\$ 205,724,327</u>	<u>\$ 6,926,304</u>	<u>\$ 2,836,329</u>	<u>\$ 29,695,829</u>	<u>\$ 270,468,825</u>

See independent auditors' report on supplementary consolidating information.